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King in Move To Plug Tax Law Loopholes

In a move aimed at prevent-ing the loss of several million ax dollars each year, Rep. Cecil R. King has called upon Con-gress to plug a loophole in the mome tax law which will crack down on movie stars and others who avoid payment of federal income taxes by taking foreign lobs and remaining out of the United States for 37 of 18 con-secutive months.

United States for 17 of 18 con-secutive months. Congressman King introduced a bill in the House to repeal a section of the Internal Revenue Code which excludes from gross income the amounts earned outside the United States by U.S. clitzens and urged Con-gress to "act quickly to straight-en out an inequitable situation which is depriving our Govern-went of substantial revenue and doing harm to the domestic motion picture industry." The present provisions of the income tax law exempts from taxes the income earned by American workers in a period which they spend 17 of 18 con-secutive months outside the United States. •

United States, . USED BY' STARS King told Congress that this provision "is being used by mov-le personalities, and others for the purpose of avoiding pay-ment of American income taxes, "This ecritality is not a course of conduct as, would emphasize their patriotism to America," he added.

added. The veteran California Con-gressman said he had been ad-vised that many persons will not accept employment for motion picture production in the United States.

ates. "They are using their popu-rity with the American public bring pressure on Americah doucers by refusing to appear a picture unless arrange-ents can be made to film the ture outside the United ates".

ents can cture outside the tates." EXAMPLES CITED Congressman King cited the ollowing examples to show how iome movie personalities are presently dodging federal in-

Constraints for the following examples to show how some movie personalities are presently dodging federal in-come taxes: "One of our prominent actors recently completed a picture in Mexico. For appearing in this picture, which took approxi-mately six weeks, he will re-ceive a salary of \$275,000. Un-less this act is "amended and presuming that the actor re-mains outside the United States for the 17 monts as required, this salary along with any other which he earns in this per-tod, will be tax free. \$600,000-TAX FREES "Another actor is completing a sofourn of 18 months in Eng-pean countries. During this per-iod he has earned some \$600, 000, all of which will be tax free. "Certainly if Congress is go

rtainly if Congress is go o permit this sort of thing, individual can hardly be d for yielding to such a g and lucrative temptation, must act to remove this ation provided by this ation provided by this lat. The more persons will mpted." lay, the noted."

ang pointed out that the loss evenue to the treasury was one of the evils permitted

ne of the evils permitted e loophole. **DVERNMENT LOSES** production goes abroad, nerican production of mo-citures declines. American tion workers lose their und the government not uses the revenue from these ad. Americans who are thus ad of their normal em-mt."

t." said the American mo-ture industry is going a serious period of re-eent brought about by l changes in the amuse-dustry and that this tax has created an addi-and completely unneces. uld be

King bill, designated as 4544, has been sent to Iouse Ways and Means litee, of which Congress-



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