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 dividens from corporations which are subject to United States corporate income tax; it does not include dividends from sav-ings and loan associations, credit unions or foreign corporations. It does not apply

porations. 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. \$50 of dividends from stocks \$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 her aveluded. be excluded.

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If you received dividends beyond this amount, you are entitled to a "dividends re-ceived credit." This credit is 4% of the remaining divi-dends, but it cannot be more than 4% of your 'taxble inthan 4% of yuor taxable in-come, or more than the amount of tax otherwise due. This credit is not just a de-This credit is not just a de-duction from your taxable in-come — it is actually sub-tracted from your tax.

For example, if you re-ceived \$550 in dividends, you

ceived \$550 in dividends, you can exclude \$50 from your taxable income, and subtract 4% of \$500 — or \$20 — from the tax you would otherwise have to pay. If you filed a joint return with your wife and you received \$550 in diviwhich was community income, you could each ex-clude \$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

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, international-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 tensively for Youth for Christ conventions, and other confer-ences. 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 num-bers in the evening service.

bers in the evening service, which starts at 7 o'clock. The Rev. Ponder W. Gilliland, pas-tor, extends a cordial welcome to everyone

In your California State re-turn, 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 sell-ing these bonds or United States Bonds must be included in your federal and Cali-fornia tax returns as a capital gain or loss, However, losses from redemption of United States Series G bonds are reported as ordinary (fully de-ductible) losses in the federal return—but are not deduct-ible in the California return.

Interest on United States and California bonds is ex-empt 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

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

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.)

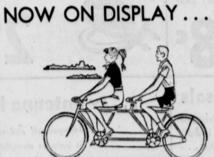
retirement income credit.)
(Don't forget that under
California's community property law, one half of the income earned by one's spouse,
as well as the Social Security
benefits and pensions attributable to his earnings are
treated as the taxpayer's income.)

If you have an annuity from life insurance, pension plan, or other source, the portion or other source, the portion which you may receive tax free, for federal income tax purposes, depends on your life expectancy. The Onternal Revenue Service or any qualified tax advisor will furnish acturial tables to help you force the property of the control of the property of the pro

figure this out.
In California income tax returns you must report 3% of the original cost of the an-

nuity ast income and treat the remainder of annuity in-come and treat the remainder Schwinn Dealer

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GM to Double Dealer Allowance For Driver Training Loan Cars General Motors will double | MORE THAN 1,200,000 high high school driver education," lowance from the Corporation Conservative Jewish

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

Group Plans Session

Group Plans Session

Group Plans Session

A meeting of area Conservative Jewish approximately 700,000 of them penefiting from a full course. The proposition of the program is the attitudes and skills behind the guiping distinct of the program is the guiping from a full course.

MARCH 12, 1961 THE TORRANCE HERALD

a series of articles on federal and California income tax been provided by the Committee on Taxation of The ied Public Accountants.)

The allowance, to be granted retroactive to the start of the federal source when it is taked at half the rate of ordinary income—and never 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 re
John F. Gordon, GM president, announced today.

The allowance, to be granted and content of the start of 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 to schools for driver training. A further requirement is that 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.

Charles L. Morrill, apprentice progress to schools for driver training. A further requirement is that 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.

So cars since 1955 Allowances

The action was taken, Goron said, to encourage maxing this vital cars must be equipped with the wheel which are the major requisite of greater highway safety.

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We hope the attitudes and skills behind the wheel which are the major care the major was leave totaled seventies of greater highway safet



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