

Income Estimates for 1961 Required of Many

(This is the tenth 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.)

The matter of filing an estimate of your 1961 federal income tax can seem slightly complicated at first glance. But when it's "broken down," it isn't so bad!

First, a declaration is not required if your estimated tax is less than \$40. Second, if your income is subject to withholding, let's first find out whether or not you have to file an estimate.

You have to file if you fit into any of these categories:

1. You are single and your income will exceed \$5000.
2. You are married but will file a separate return and your income will exceed \$5000.
3. You are married and will file a joint return and your joint income will exceed \$10,000.
4. You are a Surviving Spouse and will file your tax return under the Surviving Spouse provisions and your income will exceed \$10,000.
5. You are the Head of Household and will file your tax return under the Head of Household provisions and your income will exceed \$10,000.

Third, if you will receive more than \$200 not subject to withholding, then you must file.

If any of the above-stated rules "fits" you in any of the four periods listed below in the left-hand column, look in the right-hand column to see when you file your estimate and when you pay:

Jan. 1 - March 31, 1961:	File by April 15, 1961;
File by April 15, 1961;	pay in four installments.
April 1 - May 31, 1961:	File by June 15, 1961;
File by June 15, 1961;	

pay in three installments. June 1 - Aug. 31, 1961: File by Sept. 15, 1961; pay in two installments. Sept. 1 - Dec. 31, 1961: File by Jan. 15, 1962, and pay all your estimated tax.

If you file your final 1961 income tax return by Jan. 31, 1962, and pay the balance of the tax at that time, then you do not have to pay the Jan. 15, 1962 payment of estimated tax.

You can pay your total estimate when filing instead of in installments if you wish. The easiest way to figure your estimated tax is to use the same figure as your actual tax for the year 1960. If you use the 1960 tax as your 1961 estimate and make your payments promptly when due, there can be no penalty for underestimating, no matter what your actual tax for 1961 will be. This is also true if you use your 1960 income and your 1961 exemptions and 1961 rates.

Your estimate does not have to be absolutely correct. You are required to have paid in at least 70 per cent of the total tax shown on your final return April 15, 1962, in order to avoid any penalty for underestimating.

After filing your first estimate and making the first payment, you can amend your estimate and pay either more or less, on any of the remaining payment dates.

Estimates are filed on Form 1040 ES and the additional charge for underpayment is computed on Form 2210. Both of these forms

may be secured from the local office of the Internal Revenue Service and should prove of considerable help to you in preparing your estimate. California does not require declaration of estimated tax.

Law in Action

Settling Estates Takes Time

Long after a person dies his business may still go on. His executor or administrator manages his affairs and sees that his heirs get the estate as soon as they can, which as a rule takes from 8 to 12 months as a minimum. Why does it sometimes take years?

1. Creditors have six months to make claims. The executor then has to decide

whether they are just debts or not. If not paid, the creditors may sue the estate which takes time.

2. The executor must defend the will though some heir or claimant challenge it.

3. The executor may have to find heirs. An old will may name hard-to-find heirs.

4. A large estate often involves much business. The executor may have to sell assets to pay off taxes, debts, and specific bequests. He may have to ask the court's permission and special instructions on how to sell the property.

The general rule is that the executor can not buy or sell in the estate for his own gain, for example, at any of the sales. As an officer of the court, he is responsible if his neglect causes loss to the estate. The court may replace him.

If he finds assets outside of California, he may have to start probate proceedings elsewhere.


5. Collecting all the assets itself may take time, especially in a going concern like a partnership. A partnership usually ends at a partner's death and a new firm may have to be formed or the sur-

viving partner may buy out the old one.


The executor may be obliged to carry out the decedent's contracts as well as to enforce contracts of value to the estate.

6. Death taxes will call for the executor to report to the government for approval before the estate can be distributed.

"Being fat usually is the result of living from hand to mouth, hand to mouth."—Walt Sterlightiff.



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Opinions of Others

Too many of us, it seems, are looking to Washington to bring a rabbit out of the legislative hat. We are depending upon huge public improvement and highway projects, losing sight of the fact that these can be built only through taxes which later we must pay. —Murfreesboro (Ark.) Courier.

No matter what governmental programs are aimed at unemployment and growth, no real progress can be made toward solving these problems unless investment increases in the private businesses of America. The wages, salaries, and profits of private business must support all governmental activity, obviously, for the government has no source of money but the taxes on the private economy.—Petaluma (Calif.) Argus-Courier.

It is a dangerous thing for the people of any country to become blithely unaware of the indirect taxes that tear into their economic substance.—Gallatin (Mo.) Democrat.

In Washington today, the legislative machinery is being lubricated for the effort to increase the minimum wage to \$1.25 per hour. There are some people who think it's sinful to oppose an increase in the minimum wage law. They hold that opposition to is heartless. Yet many of the same people may find themselves unemployed should the minimum wage law to be increased to \$1.25 per hour.—Simsbury (Conn.) Herald.

Information which does not compromise the national security is public information, which the public is entitled to. Newspapers have traditionally rooted out scandal and mischief by demanding all legitimate information about the government. The right of the electorate to the truth, to the facts of life, about its government, is a precious one and must be maintained.—Louisburg (N.C.) Times.

We get a sinking feeling in our stomachs as we read that in a survey among high school students on the question, "Who contributes most toward improved living standards—business, government, or union leaders?" Business ran a poor third.—Bridgewater (S.D.) Tribune.

Men constantly are seeking to show superiority over women. But they have a mighty hard time when it comes to actual proof of male superiority. The National Wildlife Federation finally has come up with a situation where the male can thumb his vest with pride. Women fishermen, statistics show, are 50 per cent more likely to be arrested for fishing without a license. —Roseburg (Ore.) News-Review.