FINISHING TOUCHES . . . Jim Mechura, Doug Trowbridge, Dr. H. V. Markham, Floyd Lee and LeVane Forsythe, all members of the South Torrance Lions Club, prepare to lay corner stone at Los Arboles Park, adjacent to Riviera school during recent ceremony. Club members put in walks with special finish for roller skating which local youngsters have taken advantage of. (Herald photo)

Income Tax Tips

More Tips on Computing Tax Deduction for Losses Given

(This is the sixteenth 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 in cooperation with the American Institute of Certified Public Accountants.)

Different rules apply if the property is non-business in nature (personal use) or if it is business or rental property.

If the property is used for personal purposes, the allowable deduction is the difference between the value of the property immediately before the casualty and the value of the property immediately after.

If, however, insurance proceeds or other recoveries are received, they must be applied to reduce this loss. In the cast of business property, the amount deductible as a casualty loss is the percentage of the depreciated cost (or other adjusted basis) which the destroyed portion bears to the total property—reduced by any insurance or other compensation received. The loss cannot be more than the cost or adjusted basis of the property reduced by the insurance or other recovery.

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In the event a taxpayer has gains and losses from the sale or exchange of business property held more than six months, a casualty loss on property held over six months must be included in determining whether the gains exceed the losses — unless the loss was sustained on completely uninsured property, in which case an ordinary loss results.

Sentimental value is not a factor in determining loss. Also, the cost of restoring or replacing the property is not necessarily the measure of the loss. The value of the property immediately after the casualty means the value before the property is repaired, restored or cleaned up (such as before removing debris from a flooded area, etc.).

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Ornamental or shade trees and shrubbery become a part of the real property, and thus have no separate value for casualty loss porpuses on your income tax. In the event of a loss to such items, the deductible loss for tax purposes is measured only by the difference between the value of the real property before and after the casualty.

Army Specialist Four Walter E. Palmer, son of Mrs. Esther M. Wordley, 19418 Anza, recently qualified as expert in firing the carbine while serving with the 101st Airborne Division at Fort Campbell, Ky.

Specialist Palmer, a member of Headquarters Detachment of the division's Support Group, entered the Army in March 1958.

The 20-year-old soldier is a 1957 graduate of North High School and was employed by the South Bay Tree Service before entering the Army.

FARMERS—Property used in the business of farming is treated as business property. The casualty loss of growing crops is not deductible as a separate item.

If you receive cash or property from your employer or from a relief agency to assist you in restoring the property, these amounts reduce the loss.

Amounts received as subsistence, food, shelter, etc., are not replacements of your lost property. Thus they do not reduce the loss, or are such receipts taxable income to the recipient.

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A taxable gain will result if the amount recovered is greater than your cost or adjusted basis. For instance— you have owned your home for a number of years. Your cost basis is $10,000. Due to the present market values, your home has a value of $18,000. You carry insurance in the amount of $14,000. A

total loss if sustained due to a casualty and you recover the $14,000 on the insurance. Thus, you have received $4000 more than your adjusted basis and you have a taxable gain of $4000.

However, if the property is replaced with similar property within one year from the end of the year in which the casualty occurred, and the replacement cost is equal to, or in excess of, the amount recovered, the gain is not recognized for income tax purposes if so elected.

If your recognized casualty loss exceeds your income, you may carry back such excess to the three prior years' income and receive a refund on taxes paid. If not absorbed in the three prior years, you may carry the loss forward for the next five years.

Such treatment is not recognized for California income tax purposes because if a loss is not utilized in a taxable year, no carry back or forward is permitted.
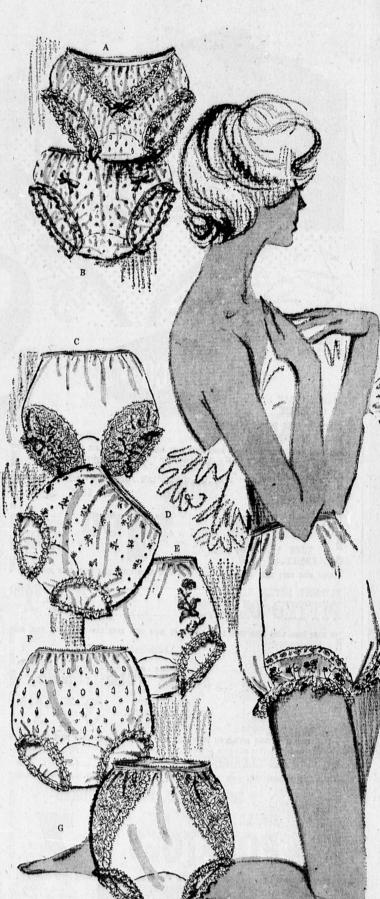
Strong Smog Control Bill Over First Hurdle, Opposition Hinted

By RICHARD RICHARDS
State Senator

The smog-control bill which I introduced in the Senate with the endorsement of our Los Angeles County authorities, has now had its first hearing by the Senate Committee on Transportation.

As I noted in a previous report, this is considerably stronger than the Assembly smog bill in that it would apply equally to the entire state, without the option by individual counties participating or not, as they see fit.

BECAUSE OF the importance to the people of our county, and because this was the first time the issue was formally presented to the Senate, we did not seek to bring the bill to a vote on the first day of hearing.

We also wanted to sound out the members of the Senate committee as to the extent to which we could expect support for the stronger of the two measures.

WHILE NO general opinion was expressed by committee members, one or two representatives of non-urban districts did give indications of objecting to provisions that would not permit their counties to exempt themselves from the program if they chose.

On the other hand, the Board of Directors of the County Supervisors Association, representing the supervisors of all the 58 counties,

have recommended stronger regulatory measures than are presently contained in the Assembly smog bill.

* * *

THEIR recommendation is that the state require contaminant control devices on all new motor vehicles, while leaving to the separate counties the authority to apply control regulations to used vehicles registered within their jurisdiction.

This is a middle position between my own bill and the Assembly measure, and it may be that it can be amended into the latter bill before it is sent to the Senate.

IN VIEW OF the fact that the greatest opposition to state control is likely to come from the Senate, the best strategy would seem to be to send over from the Assembly the strongest possible bill, so that a final agreement can be worked out in a conference committee of the two houses.

At the present writing the Assembly bill has been approved in its original form by the Assembly Committee on Public Health, but has still to be passed by the Assembly as a whole, so that there is still a possibility of amendment.

Support from our own county, from official bodies, the press and individual citizens, has never been stronger, and I am still hopeful that we will come out of this session with a workable and effective smog measure.

New High School Boundary Lines Voted by Trustees

Boundary changes moving about 200 children into different high school attendance areas next fall were voted by the Torrance Board of Educa-

tion Tuesday night.

Although the changes will not move any youngster now attending high school, they will help prevent overloading

of Torrance High School, which has a capacity of about 1200 students. Both North and South High Schools will be able to house about 2600 young-

sters.

The changes would put all present eighth graders and all new high school students in the Victor Tract at North High

school next fall. All present eighth graders and new high school students residing in the Wood and Adams attendance areas will go to South High. All students from these areas who now attend Torrance High can continue there.

PANTIES AND BIKINIS IN A FANCIFUL MOOD

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These fancy pants and bikinis are frivolously trimmed with laces, appliques and embroidery. So pretty you'll want to buy enough to fill your lingerie drawer chock full . . . and you can at this price. Each style in soft-to-wear, breezy-to-wash nylon tricot. Sizes 5-6-7.

A. Lacy bikini with embroidery, white, pink, blue, black.

B. Allover embroidered bikini, white, pink, blue, red, black.

C. Lacy - legged brief, white, black, pink.

D. White brief with white or pastel embroidery.

E. Brief with pastel applique trim, white only.

F. Double sheer front with embroidery, white, pink, blue.

G. Brief with lace side panel in white only.

H. Embroidery on sheer leg trim, white only.

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