

CPA's Clarify Tax Laws for Retired

Elderly taxpayers enjoy certain breaks under Federal tax laws, but some of the regulations affecting them are rather complicated. The Pennsylvania Institute of Certified Public Accountants has attempted to clarify the picture.

Beginning with the most clearcut provisions of the Revenue Act, the CPAs point out that benefits under the Social Security and Railroad Retirement Programs are tax exempt. Also, pensioners are not taxed on that portion of their pension benefits resulting from contributions they, themselves, made from previously taxed income.

Most other pension benefits are

taxable, but the tax rates for the elderly, because of their usually reduced incomes, are in most cases low. Each person over 65 gets a double personal exemption, and since the exemption went up to \$750 in 1972, that means \$3,000 in exemptions for a couple above that age. Taken together with the low income allowance, which also went up - from \$1,050 to \$1,300 - this means the couple can have an income of \$4,300 over and above their Social Security benefits with out incurring any tax obligations.

If a person has received pension of annuity benefits that are taxable, the CPAs recommend that he call or write the nearest IRS office to obtain simple forms

for reporting them and computing the tax due.

To avoid having to pay one large tax on pension earnings at the end of the year, it is often possible to arrange with the company making the payments to withhold income tax from the monthly pension check.

Retired people who receive little or nothing from Social Security can sometimes save up

Cattle Numbers Down in State

Despite the continuing spiral of beef prices into Phase III of the administration's losing fight against inflation, fewer cattle are being fed and marketed from Commonwealth farms, according to the Pennsylvania Crop Reporting Service.

A January 1 inventory showed just 87,000 cattle and calves on grain feed throughout the state, 4,000 fewer than a year ago. In the final quarter of 1972, 5,000 fewer head were sent to market than in the fourth quarter of 1971.

Marketing intentions for the first quarter of 1973 indicate another decline from a year earlier but just by 1,000 head.

to a few hundred dollars on the taxes owed on investment income by use of a device called the retirement income credit. For this, qualified guidance is almost indispensable.

For the children of retired people, the CPA's have a reminder that an unmarried person may qualify for special tax treatment as a "head of household" if he provides more than half the support of dependent relatives. Relatives other than parents have to live in the taxpayer's home, but parents can live elsewhere.

If more than one child supports an elderly parent, yet none provides more than half the support, one of them can still take the parent as a dependent. The others must agree not to claim the exemption this year. In some families the children alternate in taking the exemption, says the CPA Institute

Ethnic Vote

James Garfield campaigned for the U.S. presidency in German as well as in English. German was of great help to him in obtaining the German-American vote.



Beattie Named To Head PSU College of Ag

A nationally-known agricultural educator and research administrator from Ohio has been named dean of the College of Agriculture of The Pennsylvania State University by the Board of Trustees.

He is Dr. James M. Beattie, associate director and chief executive officer of the Ohio Agricultural Research and Development Center at Wooster.

Dr. Beattie was also appointed to the additional posts of director of the Agricultural Experiment Station, director of the Cooperative Extension Service, and professor of horticulture.

He will assume the new posts as soon as arrangements can be made for the transfer of his responsibilities at Wooster, and in no case later than July 1, 1973.

In his new posts, Dr. Beattie will succeed Dr. Russell E. Larson, who was named Provost of the University in February, 1972, following the death of Dr. Paul M. Althouse. Dr. David R. McClay has served as acting dean of the College of Agriculture since Dr. Larson's appointment as Provost.



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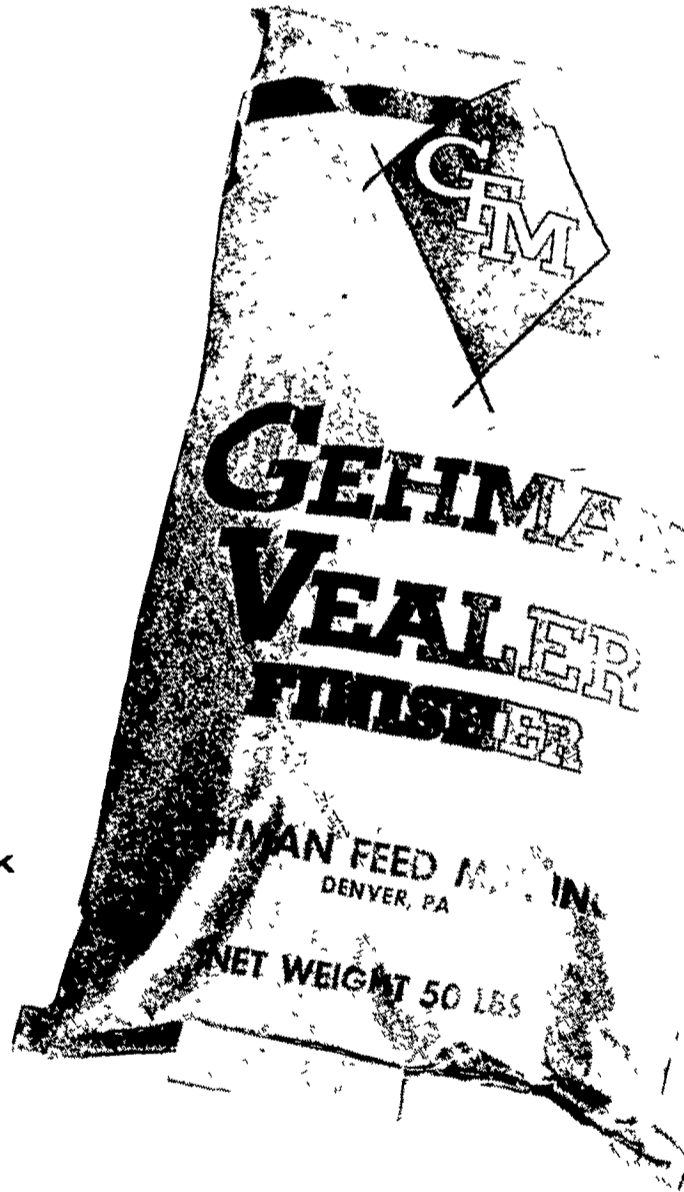
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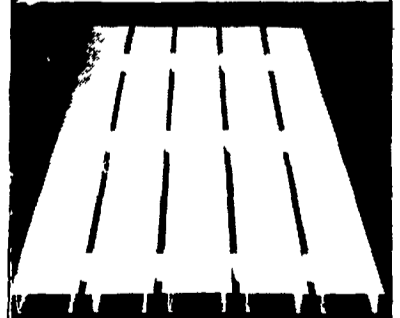
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