

# CPA's Explain Tax Effects Of Profits on Home Sales

This is the last of a series of five articles on 1973 Federal Income Tax returns prepared by the Pennsylvania Institute of Cer-

tified Public Accountants as a public service.)

As a result of the upward trend in real estate prices, taxpayers who sold their homes in 1973 are likely to have enjoyed capital gains on the sales. In some cases there are steps that can be taken to minimize — or at least postpone — the taxes on those gains.

If the taxpayer has reinvested the proceeds of the sale in another house, cooperative apartment or condominium costing at least as much as the selling price of the one disposed of, there is no immediate problem; the capital gain tax is deferred until the gain is actually realized.

To qualify for such a tax deferral, the new home must be purchased — and occupied — within 12 months of the sale of the old one. If the replacement home is being constructed by the taxpayer, the time limit is extended to 18 months.

What happens when a taxpayer finally gives up home ownership in favor of moving in with the children or renting? Then the tax on the previously untaxed capital gains on homes owned earlier must finally be paid. But for many taxpayers this comes after retirement, when tax rates are likely to be lower than

they were during the working years.

Also, for those past 65, there is no capital gain tax on homes sold for \$20,000 or less if the home was owned and occupied as a principal residence for a total of 5 years during the past 8-year period. On a home that sells

for more than \$20,000, a proportionate amount of the capital gain is tax-exempt. On a \$30,000 home, for example, two-thirds of the gain is tax-free. This is a tax break that can be taken only once in the taxpayer's lifetime.

One other means of

lessening the tax bite during a year in which there is a big capital gain or jump in earnings is income averaging. This permits the

use of reduced tax rates if the current year's income is substantially more than one's average income in the previous four years.

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• MORE PROFIT**

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**MADISON SILOS**

- Feed high-quality, nutritious, corn and grass silage all year for more milk, more meat and more profit
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Half Are Single  
Fifty percent of America's old citizens are single that is widowed, separated divorced or never married

## PUBLIC AUCTION

**5 Tractors, New Baler, Rake,  
Farm Equipment, 2 Trucks**

The undersigned devoting full time to the horse business and discontinuing crop farming will sell the following equipment on the premises of Tranquillity Manor Farms located on Stansbury Mill Road off Jarrettsville Pike, Md. Rt. 146 — 1 mile North of Jacksonsville or Stansbury Mill Road is off Manor Road between Md. Rt. 146 and Sweet Air Road, Baltimore County, Monkton, Maryland on

**SATURDAY, MARCH 23, 1974**

AT 12:00 NOON

M. F. 85 Gas Tractor w-8 speed live P.T.O., 3 pt. hitch power steering, hyd. couplers, J. D. 3 — 143 T., 3 pt. hitch plow, Farmall 400 Diesel w-fast hitch, T. A., hyd. hookup, I.H.C. 154 Cub Lowboy w-hyd. lift and 5 ft., 3 blade woods rotary mower, Farmall Cub w-hyd. lift, cultivators, sickle bar mower, blade and plow, A.C. model G w-rotary mower and cultivators, New Holland 278 P.T.O. Heavy Duty Baler w-flotation 13.50 x 15 tires and wagon hitch, new in 1973, New Holland 259 Heavy Duty 9 1/2 ft. rola bar rake w-rubber tines dollie wheel, new in 1973, 2 J. D. Wagon running gears w-Grove 16 ft. long 84" high bale bed and side, New Holland 469 — 9 ft. Haybine w-flotation tires, N. H. 331 P.T.O. Manure spreader, J. D. 4-24" Heavy Duty disc plow, Ford 726 — 6 ft., 3 pt. hitch rear blade, J. D. 10 ft., 3 sect. spring tooth harrow, J. D. 5 ft., 3 pt. Heavy Duty Rotary mower, J. D. 13 disc drill grain and fertilizer w-mechanical lift, New Idea 101 E-10 ft. fertilizer spreader, I.H.C. 7 ft. 20" — 20 disc pull type harrow, Brillion 8 ft. cultipacker, J. D. 8 ft. angle blade for loader, 2 barrel sprayer w-trailer, J. D. Sub soiler, Tractor circular saw, 7 ft. 20" — 20 disc off set harrow, wheel type, New Holland 145 mow conveyor, 36 ft., never used, J. D. cylinder and hoses, lumber, windows and many other items and tools.

TRUCKS: 1960 Ford F100 1/2 ton pickup, 1 ton cylinder and hoses, lumber, windows and many other small items and tools.

TERMS — CASH

Not responsible for accidents day of sale. Lunch available. All items sold as is unless otherwise stated.

**Calvin K. Brecklein, Owner**

Stansbury Mill Road  
Monkton, Md. 21111

William H. Amoss, Auctioneer  
Complete Auction & Appraisal Service  
2037 Pleasantville Rd., Fallston, Md.  
(301) 877-7005 or 838-3000

## PUBLIC SALE

**FARM MACHINERY  
SATURDAY, MARCH 23, 1974**

12:00 NOON

Located West of Route 222 just North of underpass turn on the Fairview Church Road, 2 miles, Providence Twp., Lanc. Co., Pa.

Farm Machinery consists of A.C. D17 series 3 tractor & loader, A.C. 3 bottom 14" high clearance plow, A.C. transport disc, A.C. 2 row corn planter, A.C. rear mounted mower, A.C. subsoiler, Smoker 24' elevator, crop sprayer, 2 sets A.C. wheel weights, cement mixer, building materials, storm windows, shutters, door frames, carpenter tools, table saw, hoes, nails, bolts, small tools, parts bin, labor camp equipment such as bunk beds, showers & other articles. Other articles used on a farm.

40 TON MIXED HAY  
10 TON WHEAT STRAW  
30 TON CORN  
300 BUSHEL OATS

SALE BY  
**ISAAC L. HERSHEY**

Kersey A. Bradley, Auct.  
Kirk & Eschbach, Clerks

## PUBLIC SALE

**COMPLETE DISPERSAL  
80 HIGH GRADE  
HOLSTEINS**

The undersigned, discontinuing the dairy business, will sell the following at public auction in the dairy barn arena at the ABERDEEN SALES CO. INC. on Rt. 22 in Churchville; 6 mi. west of Aberdeen, Md. (via Rt. 40 or I-95) or 6 mi. east of Bel Air, Md. (via U. S. Rt. 1) Churchville, Harford Co., Md. on

**FRIDAY, MARCH 22, 1974**

Night Sale at 8:00 P.M.

This herd consists of 70 head of producing, home raised Holstein cows. Ten cows freshened within the last 60 days, 15 cows are due to freshen in April, May and June, balance in full flow of milk and rebred for fall freshening. All cows will be examined for pregnancy. This herd is T B Accredited and Certified Bangs Free; tested within 30 days for out of state shipments.

**MR. JOHN M. SPICER, OWNER**  
Bel Air, Maryland

We also will sell one consignment of 10 fresh and close springing cows and heifers

**70 HEAD**

**HIGH GRADE HOLSTEINS**

This is an outstanding young high producing herd of Holstein cows in all stages of lactation, some with very high records. Cows have been examined for pregnancy, TB and Blood Tested Breeding and freshening dates and milk weights available at sale time.

If you are looking for top producers, plan to attend this sale of both these herds.

**MR. CHARLES GLAZER**

Owner  
York County, Pa.

**ABERDEEN SALES Co. Inc.**

P.O. BOX C  
ABERDEEN, MD. 21001  
301-734-6050  
Night 301-734-7105

COMPLETE AUCTION SERVICE  
CONSIGNMENTS WELCOME  
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## PUBLIC AUCTION

**COMPLETE CONTENTS OF  
HARDWARE STORE**

Including household hardware, plumbing fittings, bath tubs, commodes and wash bowls, glass, paint, farm supplies (plow shares, land-sides, mower guards, barn door track), nuts and bolts, screws, stove pipe, store counters, display cases and other fixtures.

Cash sales.

**March 20, 23 and 27, 1974**

9:30 A.M. to 6:00 P.M.

**Andrews Hardware Co.**

82 Queen Street

Northumberland, Pa.

## PUBLIC SALE

**FRIDAY, MARCH 29, 1974**

Located 1/2 mile South of Route 30 East from the Lancaster Mennonite High School, at 352 Gridley Road, East Lampeter Township, Lancaster County, Pennsylvania.

**LIVESTOCK 30 Head of**

**Registered Holstein Heifers**

14 Bred, some close, balance due during summer.

16 Open Heifers from 3 months to 2 years old. These heifers are all home raised. Four out of King Pin dams, several dams with records from 15,000 to 20,000 lbs. of milk.

**FARM EQUIPMENT**

Allis Chalmers No. 190 XT Series III diesel with super charger, 385-hours. This tractor in like new condition, on rubber.

International No. 440 baler with thrower, Gehl harvester with 225-h.p. rebuilt caterpillar diesel engine, used to fill 2 silos.

McD No. 990 7-ft. mower-conditioner, used two years; Allis Chalmers series 300 no-till 4-row corn planter, McD Pr 1-row corn picker, New Holland (new) 36-ft. elevator with hydraulic motor, New Holland No. 202 manure spreader, New Holland 5-bar side rake, McD No. 9 6-ft. grass mower, gravity bin (used one season).

Brillion cultipacker 12' alfalfa seeder used one season, McD ground driven corn binder, McD 8' grain binder, Field sprayer with 14-row boom, Liquid manure spreader.

Two flat bed wagons with 16' beds, bale wagon with 16' bed, John Deere 28 and 32 disc harrows, John Deere 4-section spring harrow, 9' cultipacker, Indiana Radex bottom 14" plow.

Iron Age 2-row potato planter, one-row potato digger, McD riding cultivator, Pinner fertilizer spreader, two tobacco wagons, Wiard walking plow, 3-pt. 6' scraper blade, 12" diameter post hole digger, two fore-trucks, PTO wire winder, fence posts, 4-wheel utility wagon, market wagon, one Minnich and two Greider tobacco presses, tomato baskets, log chains, belts, bag wagon, wheelbarrow; 1, 2, 3, 4, 5 and 6 horse hitches; 6 sets of front gears, collars.

HAY STRAW

35' Corn ENSILAGE in 12' Silo

Frick 28" thresh machine with Ebersole straw cutter, PTO reduction gear for baler; 7"x80' belt.

DAIRY EQUIPMENT

Milk Keeper 520-gallon Walker approved bulk tank, Top-Line dumping station with Benton washer, used 2 months, Laster 3-cylinder 20-h.p. diesel, Lehigh 3-h.p. compressor, alternator, four Surge milking units with electric pulsation, Surge S.P. 30 pump, two Hand-a-matic silage carts, two feed carts, wash vats, 30-gallon gas water heater, Even-Flo ensilage distributor, Stewart clippers, two 6-volt and one 10-volt fencers, Dari-Vac Buckets, etc.

All above equipment in like new condition.

Sale at 12:00 noon D.S.T.

**Amos K. King**  
OWNER

Abe Diffenbach, Jr.

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