PEE WEE LEAGUE TEES OFF IN CONN.

Harry Thompson, Dir. of Recreation of the Town of Hamden, Conn., got 75 youngsters, 10 to 14-years old, organized for instruction and a Pee Wee tournament ,with great cooperation from Hank Brancato and Harry Kennedy of the Sleeping Giant course, Charlie Johnson, operator of the Meadowbrook CC, who made his course available for the lessons; Don Geary, who helped instruct the kids, Louis Sidoli, beverage distributor, who put up prizes; and other pros in the district. In the first team competition the Pee Wees won from the Sleeping Giant caddies. Thompson and New Haven district pros are planning a Pee Wee league next year, with teams of kids from each club.

had to pay almost $200 in extra taxes when he could no longer put down his son as a dependent.

Long and Short Term Gains

The distinction between long term and short term capital gains is useful in setting up tax savings. A short term gain or loss occurs on the sale of an asset held less than six months. If the item has been owned for the half year or better, the gain or loss is a long term one.

On long term gains, only half of the gain is taxable, and that at no more than a 50% rate. In other words, the highest tax on a capital gain of the long term variety is 25%.

As with long term capital gains, long term capital losses are deductible only up to 50%. However, short term capital losses may be deducted 100% (and a short gain is taxed 100%). Thus a short term loss can be used to offset a long term gain of twice the amount. If there is a large short term loss — more than can be used to wipe off long and short term gains — then the loss can be deducted directly from the regular income up to $1000. Any loss remaining above the $1000 figure may be carried over for use in the five years ahead.

Well aware of the working of the capital gains provision of the tax law, George Gray used his knowledge to avoid a whopping income tax bill on a long gain of nearly $2000 realized from a securities sale. Gray bought a second-hand car during the scarcities period after World War II. It had a depreciated valuation of $1000. He took it to a dealer who examined it and said shortly: "Fifty dollars."

"Don," said Gray, who was well aware that he couldn't have traded the creaking vehicle for more than that amount anyway. He then went back to his desk and happily deducted a long term paper loss of $950 from his very real dollar stock gain of $2000, and thereby reduced his tax liability by $237.50.

When a pro receives insurance payment for a loss, how the payment is spent means a difference in the amount of money which the Collector of Internal Revenue asks on March 15. To illustrate this, there is the case of Harry White. White's home burned to the ground. The depreciated value was $9,000. Harry had wisely insured it for what it would cost him to replace the structure in 1951 — $16,000. Question: Was his "profit" of $7000 taxable?

That depended, he was advised, upon how the $7000 was spent. If it went to buy a new building of approximately the same size and the same real value as that which had been destroyed, then there was no tax liability. But if Harry pocketed the $7000, or spent it for any purpose except to replace his loss, then Uncle Sam would expect to be paid a tax share of the "profit."