

# Current Information Letter

For the Information of County Extension Agents and Extension Workers Only  
**AGRICULTURAL EXTENSION DIVISION—PAUL E. MILLER, DIRECTOR**  
 File for Future Reference—Complete Index Will Be Furnished Annually

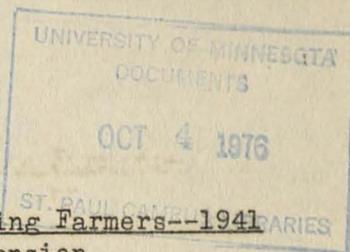
January 31, 1941

UNIVERSITY FARM  
 ST. PAUL, MINNESOTA

No. 00004

**FILE UNDER:**

AGRICULTURAL ECONOMICS--Income Tax



Information on Income Tax Provisions as Affecting Farmers--1941  
 By Paul E. Miller, Director of Extension

There is a great increase in interest among farmers in the facts concerning income taxes. Extension agents are asking what activity, if any, they should undertake in this connection. This statement covers (1) some factual information on the subject (2) suggestions as to policies for extension agents to follow.

The demand for information in income tax matters is caused largely by the change in the federal income tax regulations. Federal regulations now require that every married man with a gross income of \$2,000 or more must make a return, single man \$800. That does not necessarily mean that he must pay a tax - but regardless of whether he needs to pay a tax or not, he must make out a return and send it in. The state rule is that every married man with a gross income of \$5,000 must send in a return.

Interest centers in (1) what is gross income (2) what exemptions are allowed. Available are two sheets, one supplied by the department of internal revenue, the other by the state income tax division, giving some information on federal and state regulations. Limited supplies of both of these sheets are being sent to the County Agent for distribution.

Copies of the regular income tax forms are obtainable as indicated on these sheets. We are informed that in addition to sending for these forms as indicated, the federal forms are available at all post offices, and the state forms at the county auditor's office. Most banks have forms also.

The Internal Revenue Department has a staff of men who will visit many points in the state to assist individuals with the making out of federal income tax returns. These men are not available for meetings. A schedule is given below, showing names of men who will visit the county, and dates and places of their visits. It is suggested that persons desiring help be directed to these men for assistance.

**WHAT DIRECT ACTIVITIES SHOULD COUNTY EXTENSION AGENTS ASSUME IN CONNECTION WITH INCOME TAX MATTERS?**

1. Should county agents plan to help individual farmers make out their returns? We would say not - it would not only be tremendously time-consuming, but would involve agents in a regulatory activity that might have undesirable repercussions.

2. Should supplies of income tax forms be maintained at the county extension office? Again we would say no. While it would be a service to some people, it would frequently mean that when a person called for a form, he would want help in filling it out. As indicated above, forms may be easily obtained elsewhere.
  
3. Should agents discuss the income tax situation in meetings? This is a question that should be approached with caution. Misinformation in matters of this kind is dangerous, and misinterpretation of statements made in public meetings in an official capacity could also have serious implications. On the other hand, we see no objection to discussing this subject, if there is a demand for it, provided the agent does not go beyond the facts presented in official literature and at all times adheres strictly to these facts. Opinions, or interpretations on individual cases, could lead to controversy and should be strictly avoided.

Schedule of Deputy Collectors, Internal Revenue Department