

Belding Mick  
Jan 21-1942.

Marines S-Eccles.  
Washington D.C.

Dear Mr Eccles.

I noticed in my paper last night, you favor lowering individual tax limits. -

I would love to give income tax to my Country if I were able to!

I am a retired teacher with an annuity Not enough to run my home and pay for a doctor and nurse which I very

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much need. I took care of  
my aged mother and saved  
and bought my little home  
and lost most of my savings  
in the bank. What would  
you advise me to do?

I like to live in my little  
home and in the Community  
where I had taught thirty  
years. Most of the old ladies  
homes have a long waiting  
list and I hate to give all I  
have and then be unhappy -  
I cannot make decisions.

Sincerely

Mrs Georgia Ellery  
110 E - Liberty St Belding Mich

January 26, 1942.

Mrs. Georgia Ellery,  
110 East Liberty Street,  
Belding, Michigan.

My dear Mrs. Ellery:

My suggestion to which you refer in your letter of January 21 was that the individual exemption for a single person, not head of a family, be reduced from the present \$750 to \$600. This would mean that a person having an income of \$1,000, for example, would pay a tax of \$40, i.e., \$1,000 less the \$600 exemption would leave \$400 of taxable income on which a 10 per cent tax would be \$40. I understand this would still be substantially less than the rates prevailing in England and other countries.

I favored this in preference to a general sales tax, which is inequitable because, unlike the income tax, it is not based on ability to pay and bears heaviest on those least able to pay. Under a general sales tax which has been advocated by various business groups, an individual with an income of \$1,000 would pay \$100 in taxes if assessed at the rate of 10 per cent. This would be \$60 more than I proposed under the income tax.

Of course, the smaller your annuity, the less the Federal tax would be. In any event, I cannot believe that the amount of tax you would have to pay would make the difference between your retaining your home and being obliged to apply for admission to some charitable institution.

Sincerely yours,

(Signed) M. S. Eccles

M. S. Eccles,  
Chairman.

ET:b