

Take no chances. Your return, perfectly accurate, with at least a quarter of the tax, must be sent in by April 30, to avoid heavy penalties. Apply to The Royal Trust Company for information and advice.

The New Income Tax Law and How to Meet It.

A change threatening most serious consequences to the tax-payer was made in the Federal Income Tax Law by the Statutes of 1920.

The citizen must not now wait till he is asked for his tax; nor may he leave the calculation of its amount to the officials. **He must calculate it himself, and pay it without being asked.** Along with the form showing his income for 1920, he must send in (by April 30, 1921) **at least** one-fourth of the actual tax which he reckons himself liable for—the rest being payable later, with 6% interest, in three two-monthly instalments.

If he puts the figure too low, he becomes immediately and **automatically liable to heavy penalties**, even if his error is unintentional. The government officials have no power to let him off. The law decrees the precise sum which he must be fined.

For instance,—

If he understates his income by a trifling amount, up to one-tenth, he must pay income tax on the deficiency with 10% interest.

If he understates his income by more than ten but less than twenty per cent, the fine is **half the amount of income omitted**,—not merely half the tax. If the deficiency is 20 per cent. or more, the **whole of the unreported income is taken.**

Thus, if he states his income as \$4,500,