

Wealthy still manage to find enough deductions, loopholes to avoid paying taxes

From Associated Press reports
 WASHINGTON—Despite repeated government efforts to close loopholes, some wealthy Americans are still able to scrape together enough deductions to avoid paying any U.S. income tax, the Internal Revenue Service said Wednesday.
 Of 557,848 couples and individuals who reported income of \$200,000 or more on returns filed in 1988, 472, with incomes totaling \$211 million, paid no income tax. Two of them, both unidentified, even reported receiving unemployment compensation.
 Of the high-income people who paid taxes, about 9,300 paid less than 5 percent. Another 17,082 reduced their liability to less than 10 percent, which is about the same as paid by the average \$35,000-a-year family.
 In its annual report on the tax liabilities of high-income people, the IRS said two-thirds of those with incomes of

\$200,000 and up reported capital gains — profits from the sale of investments — that averaged \$284,814. By comparison, salaries averaged \$264,331.
 The study, prepared principally by Allen Lerman of the Treasury Department's Office of Tax Analysis, is based on raw tax returns. Some of the non-taxpayers could be moved onto the tax rolls following IRS audits.
 The report said 3,396 people with high incomes would have avoided federal income taxes altogether had it not been for the alternative minimum tax. This levy — a special net designed to ensure that high-income people pay some tax, regardless of how many legitimate deductions they claim — cost 35,223 top earners a total of \$1 billion.
 However, the reach of the minimum tax plunged from the previous year, when the levy took \$4.8 billion from 158,903 high-income filers.
 One of the provisions Congress wrote

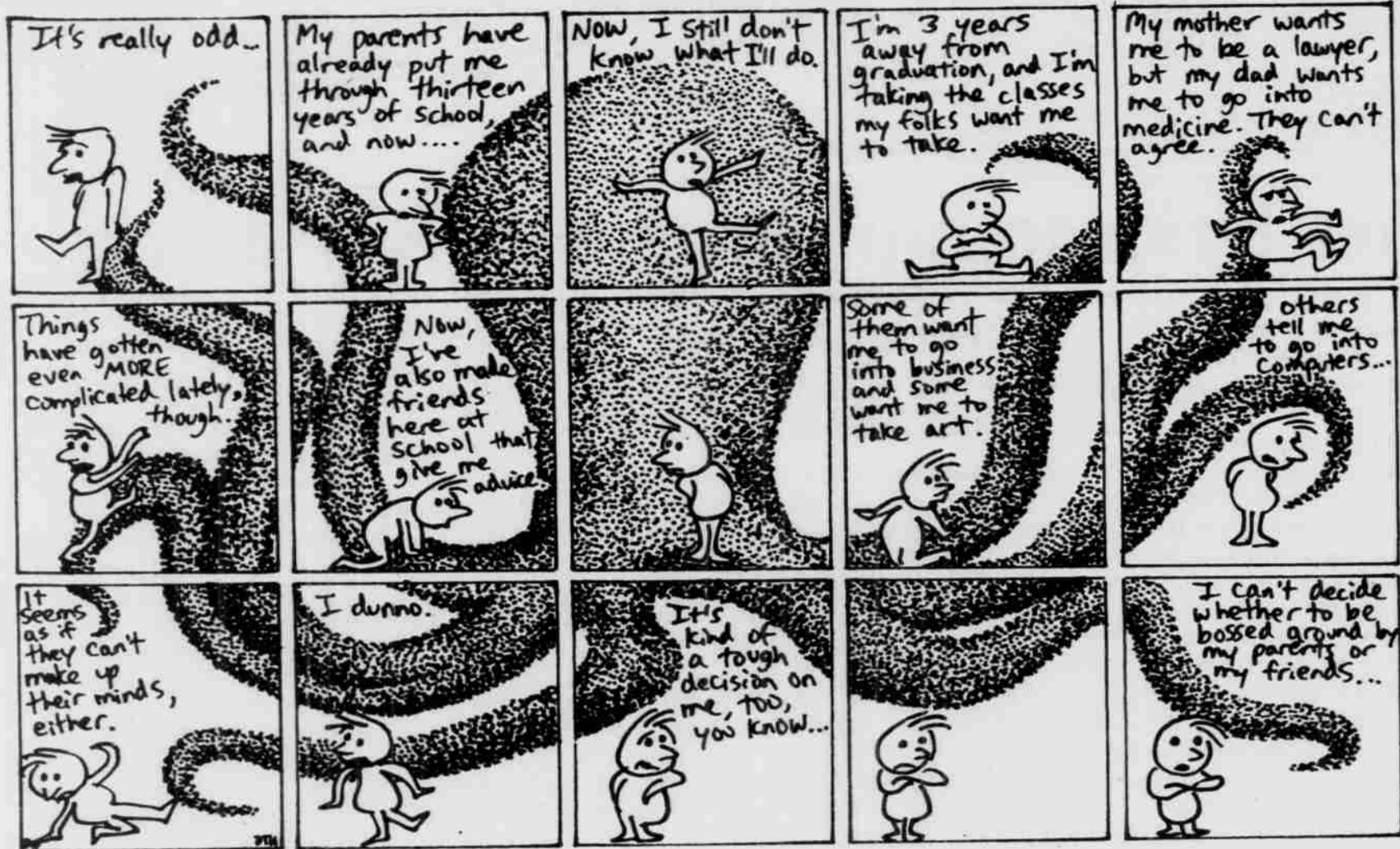
into a major deficit-reduction bill last week to raise the tax burden on the rich boosts the 21 percent rate of the minimum tax to 24 percent.
 The IRS has been reporting the tax **Perry** senior officer who has been there 16 years when they're only going to be there 45 minutes. I didn't ask to have an outside panel."
 The panel was not allowed to see a letter of recommendation from former crime prevention officer Sgt. Ned Comar before they made their selection, she said.
 DeVitto said he could not comment on the reasons he selected Perry instead of Edwards because it was a personnel matter. State law prohibits discussion of personnel matters externally.
 "I'm satisfied that the position is filled," he said.

situation of upper-income Americans since 1977. In that year, there were 53 returns reporting incomes of \$200,000 or more with no taxes paid.
 Although several changes in the law Perry said he was pleased he had received the position and that the matter had been settled.
 Perry was initially given the position in March after Sgt. Ned Comar retired. The position was reopened after a campus grievance committee ruled on a grievance Edwards filed. The committee found that DeVitto had violated a directive issued by Chancellor Paul Hardin when he filled the position. The directive required all vacant police positions be posted.
Court
 Diffendal said the committee had discussed connecting the upstairs of Lenoir with Carolina Court. A stairwell or elevator would encourage students to go downstairs when they could not find a seat upstairs, she said.
 Carolina Court is not being fully used now, she said. "It's kind of a wasted space."
 A marketing consultant suggested improvements for Lenoir's main floor to the dining service last year, she said. The changes have been helpful, she

were made in an effort to prevent the well-to-do from shielding their income, the figure grew to 613 on returns filed in 1986.
 Through the years, the number of

tax-free rich people has been only a tiny fraction of the wealthy. The most recent IRS report showed that 557,848 taxpayers in the \$200,000-and-over group paid a total \$72.7 billion.
from page 1
 the crime prevention officer has to deal with."
 Edwards said she was not upset when she got the letter stating she was not chosen for the position.
 "My life is already on course. My course is to make a change," she said. "I am black and I am a female and I have spoken out. The University tried to stop me. If they could have stopped me then other blacks would not have come and spoken out."
from page 1

Igmee



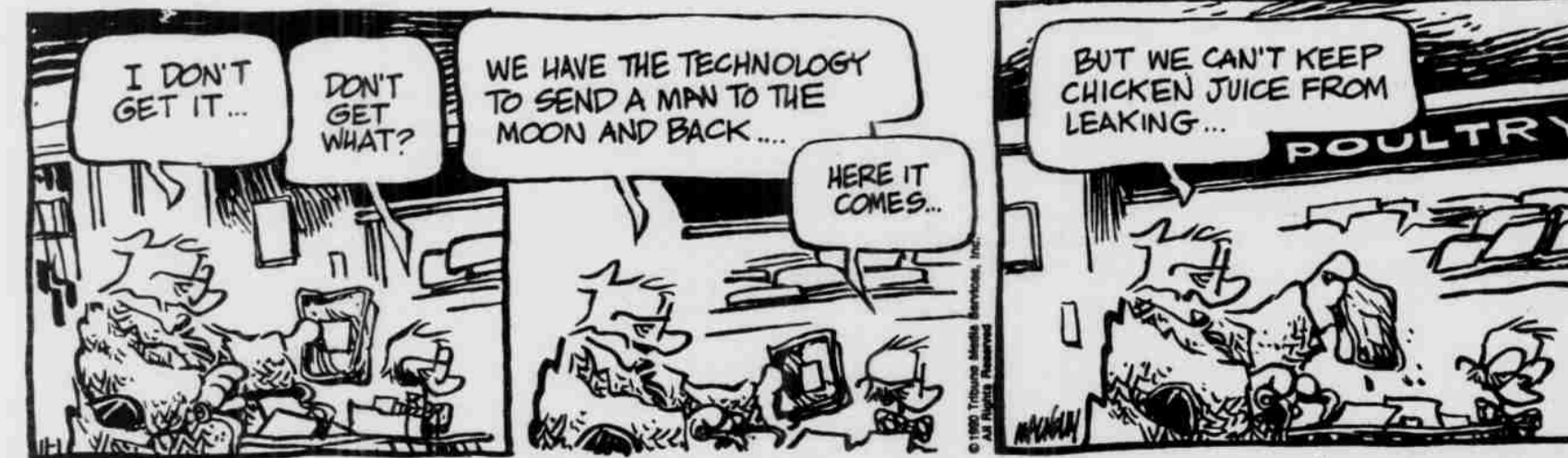
Calvin and Hobbes



Doonesbury



Shoe



THE Daily Crossword by Frank R. Jackson

© 1990 Tribune Media Services, Inc. All Rights Reserved

ACROSS	62 Acting award	25 Dory and dinghy
1 Deprivation	63 Moon valley	26 Showery time
5 Dips water	64 Change residence	27 Squash type
10 Oct. and Nov.	65 Discover	28 Certain jailbird
13 Ignore	66 Vegetable	29 Florence favorite
14 Cupid's weapon	67 Brainstorm	30 Caesar e.g.
15 Engrossed	68 A Kennedy Tent	31 Diacritical mark
16 Actress Meara	69 Fossil fuel	32 Diacritical mark
17 Crownlike headdress	DOWN	35 Assn.
18 Buttrine	1 Just hang around	36 Dykstra of baseball
19 Names in 39A	2 Atlanta feature	38 Boxer Spinks
22 TV's Olin	3 Warble	40 Boasted
23 Wrong; pref.	4 Sirloin and porterhouse	41 Gentleman's gentleman
24 Degraded	5 Conductor's item	46 Bovine sound
27 Mountain	6 53A e.g.	49 — energy item
30 Catalogue	7 Qum's land	51 Fortune teller's card
33 Trim branches	8 Noble title	52 Play part
34 Kind of club	9 Multitude	53 Attic
37 Capture	10 Algeria's neighbor	54 Rose's man
39 Opus by 15D (with "The")	11 Ready for business	55 Melon skin
42 Move about	12 Gr. colonnade	56 Occupation
43 — Green	15 Operatic great	57 Toss
44 Bustle	20 Dodger great	58 Lily plant
45 Wallop	21 OPEC concern	59 Flurry
47 Gun gp.	24 Vestments	60 Eye's area
48 Burdened		61 Repast
50 Acquired		
52 Matched group		
53 Highlight of 39A		

downstairs, but plans to do so are vague at this stage, he said. The board will consider responses to a student survey taken this semester at all Carolina Dining Service's locations.
 Ruffin Hall, a member of the advisory committee, said competition from other eating establishments and the relatively poor quality of food have contributed to Carolina Court's low sales. "I know it is doing badly. It's a source of profit loss for Marriott," he said.
 Committee member Gretchan

Fliers
 Poston, a candidate for student body president, included barring CGLA from receiving funds as a plank in his platform. "We see them all the time," he said.
 "This is basically gutter politics, as far as I'm concerned. If anything, it will alienate people from the Helms campaign."
 There are more constructive ways for them to make their point, he said.
 Most North Carolina voters did not support gay rights, Rothwell said. The CGLA is not looking for special rights, they just want the same rights as others, he said. "Most gay people I know just want to be left alone."
 On the back of the flier, the group presents "more shocking news." The pictures of "Hanoi Jane" Fonda and Jesse Jackson are on the back, and labeled as liberals.
 Students for Truth Chairwoman Michelle Carawan, a student at Campbell University, said the group's purpose for posting the flier was to inform voters that Gantt strongly supported gay rights.
 The group thinks the majority of North Carolina voters do not support

Refunds
 coming freshman class. The advertisement falsely stated that the lofts met the Department of Housing's loft policy, he said.
 Sturdi-Boy officials told him the advertisement stated the lofts were approved by other universities, but many students interpreted the ad to mean the lofts were approved by the UNC housing department, Kuncil said.
 The housing department sent letters stating the lofts had not been approved by the University to members of the incoming class, causing many students to ask Sturdi-Boy for immediate refunds, he said.
 Members of the housing department inspected the lofts shortly before the Sept. 30 loft inspection deadline and decided they did not meet University requirements. More students requested

gay rights and need to know that Gantt is receiving money from "militant gays," Carawan said.
 "We did not think Harvey Gantt would want people to know he was a major supporter of gay and homosexual rights," she said.
 North Carolina voters would not find out about the advertisement if the group did not inform people, she said. "We hope people will be better informed to decide who to vote for on Nov. 6."
 Carawan said although people know Gantt supports gays, it was politically smart for Gantt not to publicize the fact loudly.
 Students for Truth is not singling out homosexuals, Carawan said. "It's to find out just how liberal Harvey Gantt is," she said. "Liberal is a dirty word where I come from," Carawan said. "They support high taxes and support a type of freedom that has no limits."
 "We don't view North Carolina as being liberal," she said. "We view ours as a moderate state."
 Tim Moore, a member of Students for Truth and a UNC student, said about 500 posters were given to students to post on campus. The purpose was to

alert people about the type of groups supporting Gantt, he said. "He's catering to special interest groups and PACs," Moore said.
 The poster was not a mud-slinging tactic because the advertisement was true, Moore said. The poster tries to persuade the undecided voter by giving him a full understanding of both candidates, Moore said.
 Carawan said the group's purpose was not to convince people to vote for Jesse Helms, but just to inform voters.
 The advertisement is similar to a Helms television commercial referring to Gantt's efforts to raise money from the gay community. The advertisement says, "Harvey Gantt is running two campaigns, one public and one private," Carawan said.
 Students for Truth posted the flyer across the state at universities such as UNC-Asheville, UNC-Wilmington, UNC-Charlotte and Wake Forest. Carawan said she received a phone call from a student at UNC-A who disagreed with the poster, but the rest of the responses were positive.
from page 1

refunds after learning the loft had not been approved, Kuncil said.
 The University never has dealt with a national metal loft firm, he said. Students have always constructed their lofts with wood and worked with smaller, local firms, Kuncil said.
 "I have nothing against Sturdi-Boy in any way," he said. "I think metal lofts are a valid business idea, but our policy now calls for wooden lofts."
 University Housing will consider revising the policy to allow metal lofts in the future, he said.

Don't Blow It.

Let Econ Professor William "Sandy" Darity do it for you.
 He'll jam with local jazz group *Soul Expression* at 9 pm, Friday in the Union Cabaret.
 Part of the *Spotlight on Professors* series presented by the Performing Arts and Current Issues committees of the Union Activities Board.

PEPPER'S PIZZA

A Sunny Place for Shady People

Next to the Varsity Theatre
 127-129 E. Franklin Street
 Downtown Chapel Hill
 967-7766

Internationalist Books

408 West Rosemary St.
 942-1740

HAM'S

E.G. PETERS

TONIGHT at 10:00 p.m.
Yellow Cups \$1.50
Dr. Peppers \$2.75
 310 W. Franklin St.
 933-3767

TAR HEEL SPORTS SHORTS

FRIDAY VOLLEYBALL VS. GEORGIA

Carmichael Auditorium at 7:30 pm