

CPAs Answer Questions About How Current Law Affects Taxes

To help taxpayers better understand how current tax law affects their 1993 tax liability, the N.C. Association of Certified Public Accountants provides answers to questions taxpayers have been asking.

■ **My husband and I have a joint taxable income of \$150,000. Are we subject to a retroactive tax increase as a result of the new law?**

Yes. A new 36-percent tax rate—up from 31 percent—applies to taxable incomes in excess of \$140,000 for married couples filing jointly. Similarly, the 36-percent rate applies to taxable incomes in excess of \$115,000 for single individuals, in excess of \$127,500 for heads of household, and in excess of \$70,000 for married individuals filing separate returns.

■ **What is the highest tax rate for 1993?**

As a result of a new 10-percent surtax imposed on taxable income over \$250,000 for singles, heads of household, and married individuals filing jointly (\$125,000 for married individuals filing separate returns), the top individual tax rate has been raised to 39.6 percent.

■ **What if I can't pay all my taxes by April 15?**

You'll get a break from the IRS, provided that the retroactive tax increase is the reason you can't meet your liability. In this case, you have the option to pay your taxes in three equal, interest-free installments, beginning on or before the due date (without extensions) of your 1993

tax return, with subsequent payments made on an annual basis over the next two years.

However, if you're not subject to the new, higher tax rates and can't meet your tax liability by April 15, you will owe interest on any tax not paid by the regular due date of your return. You may also be subject to a late payment penalty.

■ **We lost \$20,000 this year on the sale of our home as a result of the poor real estate market. I know that gains can be deferred by buying another house of equal or greater value within two years of the date of sale, but is there any way to write off the loss?**

No. When you suffer a loss on the sale of your principal residence, the IRS doesn't give you any tax relief.

■ **During the past six months, my mother has lived with my husband and me, and we have paid for her food, clothing and other expenses. Can we claim her as a dependent on our tax return?**

You may claim her as a dependent if you meet the following criteria: (1) you provided over 50 percent of your mother's support for the year; (2) your mother's gross income was less than \$2,350; (3) your mother does not file a joint return; and (4) your mother is a U.S. citizen, national, resident, or a resident of Canada or Mexico.

However, be aware that dependency exemptions are phased out for high-income taxpayers. For joint filers, the phase-out begins when your adjusted gross income reaches \$162,700. The threshold for single

filers is \$108,450; for heads of household, \$135,600; and for married individuals filing separately, \$81,350.

■ **Can I take a tax deduction for medical expenses I incurred for myself and my family over the past year?**

You may claim a tax deduction for qualified medical expenses that exceed 7.5 percent of your adjusted gross income. Qualified medical expenses include amounts paid for the diagnosis, cure, or prevention of disease, related transportation expenses, and special equipment expenditures that are recommended by a physician and are necessary for your medical care.

■ **What are the guidelines for deducting IRA contributions?**

You can still fully deduct your IRA contribution if neither you nor your spouse participated in an employer's retirement plan in 1993, or if your adjusted gross income is under \$25,000 if single or \$40,000 if married.

If you satisfy either of these requirements, you can contribute and deduct up to \$2,000, if single, and up to \$4,000 if married and both spouses work. If only one spouse works, the most you can contribute is \$2,250. Keep in mind, too, that you have until April 15, 1994, to make your contribution and claim a deduction on your 1993 tax return.

For more information on 1993 tax rules, you can request a copy of "21 Money-Saving Tips" from the N.C. Association of CPAs, P.O. Box 80188, Raleigh NC 27623-0188.



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Biggest Bill Is Paid

Brunswick Nuclear Plant Vice President Roy Anderson (left) presents a Carolina Power and Light check for \$4.9 million to Brunswick County Manager Wyman Yelton (right) and Tax Collector Nancy Moore to pay CP&L's county property taxes for 1993. CP&L is Brunswick County's largest taxpayer, with its property taxes representing one-sixth of the county's current tax billings. (Related story, Page 1-A.)

Volunteers Will Talk About Their Jobs At Career Days

Volunteers are signing up with the South Brunswick Islands Chamber of Commerce to talk to students about their jobs during Career Day programs at two local schools.

More speakers are needed for the programs, which will be held Feb. 15 at Shallotte Middle School and March 15 at West Brunswick High School, said Anne Marie Bellamy, chairman of the chamber's education committee.

At each event, up to 60 volunteers each will give a 5- to 7-minute presentation on their job, how they prepared for it, and the attributes or interests someone who hopes to work in that field should have. Ideally, speakers will recommend suitable courses to select in high school, salary potential and other job considerations.

Volunteers can sign up for both Career Day events or just one.

Sponsors want to offer students information on a wide range of career opportunities, said Bellamy. "Especially needed are those who are employed in or recently retired from positions in manufacturing, shrimp harvesting, farming, biomedical research and other technical jobs."

The chamber Education Committee is coordinating the events in con-

junction with the Parent/Community Involvement committees at the two schools. This is the second year the chamber has taken on Career Day as a project; the effort was begun last

year at the suggestion of educators serving on the committee.

Persons interested in participating are asked to call the chamber office at 910-754-6644.

SMALL BUSINESS CENTER

First Of Four Seminars Scheduled Today At BCC

Working effectively as a team and two kinds of "homework" for entrepreneurs are the focus of seminars offered during January and February through the Small Business Center at Brunswick Community College, with the first set for today (Thursday).

How to evaluate and purchase a franchise business is the focus of the seminar from 6:30 p.m. to 9:30 p.m. at BCC.

Presented by G. Mark Hockenyo, the program is recommended for anyone contemplating the purchase of a franchise of business opportunity. It will focus on Federal Trade Commission franchising business requirements, and how to evaluate the offering circular and franchise agreement, analyze the financial feasibility of an offering and how to protect oneself.

The required workbook costs \$5, with checks payable to BCC. There is no charge for the seminar itself.

On Jan. 20 the first of two sessions on work teams will be offered by Renee Uhl.

From 1 p.m. to 4 p.m., participants will focus on how to clarify team roles and responsibilities, tapping the experiences of all members for a collaborative effort on ongoing or temporary work efforts. Workbooks cost

\$12. On Feb. 10, Uhl returns for a seminar from 1 p.m. to 4 p.m. on "Resolving Team Conflict." Participants will look at ways to organize and manage teams of people successfully, how to handle conflicts between individuals in group situations and tools for rebuilding relationships between members. A required workbook costs \$12, with checks payable to BCC.

Hockenyo returns to BCC on Feb. 24 for a program on conducting one's own market research and making it work.

The seminar will be held from 6:30 p.m. to 9:30 p.m. and is suited for someone starting a new business or improving an existing one. Participants will be shown how to measure specific market potential and how to plan a business to most effectively meet that market. Hockenyo will cover sources of industry statistics, methods of gathering market data and understanding how to implement the data into practical business planning.

To pre-register, contact BCC's Small Business Center at 754-6900, 343-0203, 457-6329, or by facsimile, 754-7805.

Holden Merchants Re-Elect Officers, Approve Budget

Jim Lowell was re-elected president of the Greater Holden Beach Merchants Association at the organization's annual meeting Jan. 4.

Also re-elected were Ben Tonking, vice president; Barbara A. Lowell, treasurer; and Floyd Bullock, corresponding secretary. The newly elected Mary Lou Tonking will replace Pauline Williamson as corporate secretary. Patricia Sandifer was reap-

pointed membership chairperson.

The merchants also approved an annual operating budget of \$11,195 and a general budget of \$33,400 for activities, festivals, contributions and other purposes.

Events scheduled for the coming year are the annual Day at the Docks, March 26, and the N.C. Festival by the Sea Oct. 28-30. Other possible events also are being discussed.

"Members are pleased with the improvements made to the Holden Beach Causeway commercial strip, with funds being allocated for replacement and maintenance of the flowers," said Lowell.

"The association is presently at its highest membership level—67 businesses and professional services. There are indications this number may increase in 1994."

Leland Man Awaits Sentencing On Income Tax Evasion

A Leland man was convicted in federal court Jan. 4 of failing to file federal income tax returns for four years.

Oscar Robertus Long III could receive a maximum sentence of four years in prison, a fine of \$400,000 and restitution for all federal taxes owed. He also may be required to pay for costs of prosecution.

According to a news release from the U.S. Department of Justice, evidence at Long's trial showed he attended various tax protest meetings and had not filed a federal individual income tax return since 1982.

In 1987, he was convicted in

Brunswick County Superior Court of attempting to evade N.C. state income taxes for 1984 and 1985.

U.S. District Judge Malcolm J. Howard set sentencing for April 8 in Greenville.

**High credit card debts?
Large hospital bills?
Bankruptcy may help.**

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(910)457-9586 or (910)253-5600

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ATTENTION Mobile Home Park, Marine and Aircraft Storage Owners

The 1971 General Assembly passed a law governing operators of mobile home park, marina and aircraft owners in North Carolina.

The law is G.S. 105-316 of the North Carolina Machinery Act of 1971.

The owners of such park, marine or aircraft storage shall report to the county tax supervisor on or before January 15 of each year, the name of the owner, and a description of such trailers, boats or aircraft which are renting space in such park, marine or aircraft storage.

Boyd Williamson, Tax Administrator

NOTICE

Brunswick County Tax Listing for 1994

DUTY TO LIST

It is the duty of every person, firm or corporation to list all personal property, except registered or "tagged" motor vehicles during the month of January, 1994, as required by law.

PERMANENT LISTING OF REAL ESTATE

Effective January 1, 1990, the Brunswick County Commissioners adopted a system of permanent listing of real property. Real property is automatically listed.

DO NOT LIST REGISTERED "TAGGED" MOTOR VEHICLES

Effective January 1, 1993, the North Carolina General Assembly enacted a law effecting the time taxes are billed and collected on registered or "tagged" motor vehicles. Do not list your "tagged" motor vehicles during the regular January listing period.

YOU MUST LIST

Only unregistered or "untagged" motor vehicles should be listed during the regular January listing period, along with boats, mobile homes, recreational watercraft or aircraft, income producing furnished rental property and farm equipment. All businesses in Brunswick County must list their business personal property.

If you acquired any of these items or other personal property, or became a new resident of Brunswick County in 1993, and did not receive a listing form for 1994, please contact the Brunswick County Tax Office to request a tax listing form, (910) 253-4341 or 1-800-527-9001.

PENALTY FOR FAILURE TO LIST

The law further states "The penalty for failure to list these items before the close of the regular listing period (January 31, 1994) shall be ten percent (10%) of the tax levied for the current year on such property. Failure to list taxable property after specified time subjects owner to a fine of up to \$500.00."

ELDERLY/DISABILITY EXEMPTION

If you are 65 years of age, or if you are permanently disabled and if in either case your gross annual income does not exceed \$11,000, you may be eligible for an exemption of the first \$15,000 in assessed value of certain real and personal property. You **MUST** be a permanent resident of Brunswick County and a resident on the property for which you request the exemption.

GENERAL INFORMATION

All property is to be listed according to its value as of January 1, unless otherwise specified.

Under G.S. 105-311, tax listing by mail is permissible. All resident and non-resident taxpayers of Brunswick County during taxable year shall receive their abstract by mail. Anyone may list at the County Tax Office in the Governmental Complex at any time during the regular listing period. Office hours are 9:00 a.m.-5:00 p.m. Monday through Friday, the month of January (the office will be closed Monday, January 17th in observance of Martin Luther King Jr. Day).