

CPA's Offer Help Deciphering Tax Talk

With the passage of a new tax law and the arrival of tax season, taxes are on everyone's minds and lips. To help you better understand all that tax talk, the North Carolina Association of Certified Public Accountants offers the following definitions of common terms.

Adjusted gross income: the amount of income used as the basis for determining your eligibility for certain deductions. Specifically, it refers to the balance you obtain after reducing your gross income by certain adjustments and deductions, such as alimony and deductible contributions to Individual Retirement Accounts (IRAs).

Taxable income: for individuals, taxable income is adjusted gross income reduced by certain deductions, adjustments, and personal exemptions. It is the amount you use as the base to calculate your tax liability.

Marginal tax rate: the tax rate at which each additional dollar of income over a specific ceiling is taxed. For example, under the new tax law, married individuals filing jointly are subject to a marginal tax rate

of 36 percent on taxable income in excess of \$140,000.

Capital gains tax: the tax paid on the gain realized on the sale or exchange of a capital asset, such as stocks and bonds. The current maximum capital gains tax is 28 percent.

Luxury tax: a 10 percent excise tax that applies to luxury cars valued at \$30,000 or more for 1993. As a result of the new tax law, in future years this \$30,000 threshold will be indexed for inflation. The new tax law repealed the luxury tax on equipment installed after 1990 to help disabled people operate a vehicle. It also did away with the luxury tax on big-ticket purchases of boats, aircraft, jewelry, and furs.

Casualty loss: casualty losses result from a sudden, unexpected or unusual event, such as a fire, hurricane or flood. Within certain limits, personal casualty losses are deductible from your AGI.

Child and dependent care credit: a credit of up to 30 percent of the expenses you incur for care of a qualified dependent when the expenditures make it possible for you to work.

Dependent: for tax purposes,

dependents are individuals whom you support financially, and who meet certain other requirements, such as relationship, residency, and income tests.

Dependency exemption: a fixed deduction that you may claim for any individual who qualifies as your dependent. For 1993, each exemption is worth \$2,350. The exemption phases out if your AGI exceeds \$108,450 for single individuals, \$162,700 for married couples filing jointly, \$135,600 for heads of household, and \$81,350 for married people filing separately.

Earned income credit: a credit of up to \$3,370 is available to lower-income taxpayers. The 1993 tax law expanded the credit to include some childless couples as well as those with children.

Itemized deductions: deductions from your adjusted gross income for such items as medical expenses, state and local taxes, charitable contributions, unreimbursed employee business expenses, moving expenses, and casualty and theft losses. There are specific requirements for and limitations on the deductibility of each of these items. In

most cases, taxpayers whose total itemized deductions exceed the standard deduction (see below) can itemize their deductions.

Miscellaneous itemized deductions: these include certain unreimbursed job and business expenses, expenses directly connected with the production of income, and fees for tax preparation services. Only those miscellaneous expenses that exceed 2 percent of your AGI are deductible.

Moving expense deduction: a deduction for certain expenses necessitated by an employment-related job transfer, provided that the distance between the taxpayer's new job and former home is at least 35 miles farther than the distance between the taxpayer's old job and the former residence. For tax years beginning in 1994, the distance test is increased from 35 to 50 miles.

Standard deduction: a deduction that may be claimed by those who choose not to itemize deductions on their tax return.

If you're still unclear about the meaning or relevancy of these and other tax terms, consult a CPA or another tax adviser.

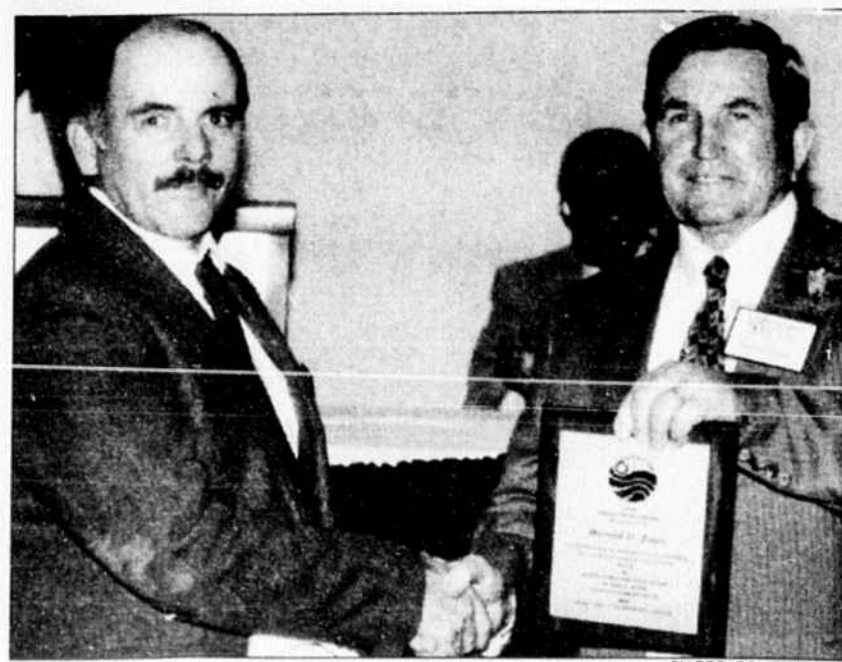


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Outstanding Conservationist

Harold D. Jones (left), Soil Conservation Service conservationist for the Brunswick Soil and Water Conservation District, receives the state award for Outstanding Performance in the Earth Team Volunteer Program from Charles Snipes, N.C. Association of Soil and Water Conservation Districts president. The presentation took place at the association's annual meeting in Raleigh recently. Also honored at the meeting was James Bellamy of Shallotte, a Brunswick Soil and Water Conservation District supervisor for 43 years.

CP&L Leads Area United Way Givers

Carolina Power and Light led the Cape Fear Area United Way's list of companies in combined employee and corporate donations during the 1993 fundraising campaign.

CP&L's contributions totaled \$273,044. Campaign coordinators were Bill Wilder and Charlene Del Pezzo.

The top ten companies' support exceeded \$1 million, making up more than 50 percent of the 1993 campaign total, said United Way spokesman Michael Griggs.

"Despite challenging situations at some of these companies, the overall group reported an increase in contributions of 3.5 percent," he added. "The efforts of each company's coordinator are exemplary."

The top ten companies for 1993 were:

1. CP&L\$273,044
2. General Electric263,627
3. Du Pont131,563
4. Corning103,754
5. New Hanover Regional Medical Center65,198
6. Cape Industries59,269
7. Southern Bell32,255
8. Occidental Chemical.....26,931
9. ADM24,378
10. Takeda Chemical.....20,384

Public Forum On Housing Scheduled In Southport

The N.C. Human Relations Commission will sponsor a forum in Southport on the state's fair housing law Friday, Feb. 18, from 7-8:30 p.m. in the ILA Hall.

The law prohibits discrimination in most housing on the basis of race, color, religion, sex, national origin, handicap or family status. The forum is planned to educate citizens about the law and inform them on complaint and processing procedures.

The N.C. Human Relations Commission is responsible for enforcing the state fair housing law. The commission is charged with investigation, conciliation and litigation of cases and complaints about fair housing on behalf of the state's citizens.

The 10-year-old State Fair Housing Act applies to private homeowners as well as to real estate agents and other in the real estate business, according to William J. Barber II, executive director of the N.C. Human Relations Commission.

The Southport forum is one in a series planned throughout the state.



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Bank Recognizes Students

Scott Irby of NationsBank presents Shallotte Middle School students with honors for scholarship and citizenship during December. Pictured are (from left) Irby, Amanda Fulford, student of the month; Marcia Todd, good citizen of the month; and Joe Bell, student of the month.

Whiteville Shirt Maker Picks Leland For New Headquarters

BY ERIC CARLSON

One of North Carolina's fastest-growing textile companies will open a manufacturing and distribution center at the Leland Industrial Park this year, Brunswick County Economic Development Director Tom Monks announced last week.

Jasper Textiles Inc. of Whiteville, manufacturers of men's sport shirts under the Outer Banks Reserve label, plans to build a 55,000 to 50,000-square-foot building that will employ about 60 people by late 1994. The building will be designed for expansion and Monks said it is possible that the firm could double its payroll within three years.

"They are a very healthy company that started about 10 to 12 years ago with a dozen people and now it has more than 1,500 employees in North Carolina," Monks said.

Although the company has not released its detailed plans, Monks said it is likely that Jasper will be trans-

ferring its corporate offices and sales department along with its embroidery operations, warehouse and distribution to the Leland site. The company is currently headquartered in Whiteville.

Monks estimated that initially about half of those employed at the Leland plant will be hired locally, mostly in the manufacturing, warehousing and distribution arms of the operation.

Although no direct financial enticements were made to encourage Jasper to locate here, the EDC plans to help the company apply for development grants for waterlines and road work at the site. The park already has central sewage service.

Monks said "quality of life" was the primary factor in selling Brunswick County as a location for Jasper's planned expansion. The EDC has been negotiating with the company for "about four or five months," he said.

Jasper will be the 13th business to locate in the Leland Industrial Park. Monks said negotiations with two or three other prospective tenants are "looking good."

Occupational Training Slated

Five occupational training classes will be offered by the Job Training Partnership Act (JTPA) Program at Brunswick Community College for eligible adults.

The proposed classes include net-making and mending, radio and television repair service, basic plumbing, brick and block masonry, and introduction to computer applications and Word Perfect 5.1

All JTPA applicants for these training classes have to be at least 22 years of age and must also meet federal eligibility guidelines.

Potential participants are asked to call BCC at 754-6900, 457-6329 or 343-0203, Ext. 327, and ask for the JTPA advisor.

MONTH OF DECEMBER

Brunswick Jobless Rate Is 13%, ESC Stats Claim

Brunswick was among four of North Carolina's 100 counties whose unemployment rate exceeded 10 percent in December, according to the state Employment Security Commission's monthly report.

With a seasonally adjusted rate of 13 percent, Brunswick ranked third highest in the state, behind Graham County, with 20.8 percent, and Tyrrell County, with 12.7 percent. Brunswick County's rate rose from 12.7 percent in November.

Brunswick County's rate is based on a total labor force of 19,340, with 16,830 employed and 2,510 looking for work. According to ESC statistics, September was the only month reported so far in 1993 in which the county's jobless rate

fell below 10 percent.

The state's lowest unemployment rate was Orange County with 1.6 percent. According to the ESC report, the commission's analysts regard 5 percent "as a near full-employment situation."

Rates fell in 51 counties, rose in 42 and remained unchanged in 7 counties.

Seasonally adjusted unemployment rates eliminate changes which normally occur at about the same time and in about the same magnitude each year.

November jobless rates in other coastal counties included Pender, 5.4 percent; Onslow, 3.8; Carteret, 6.6; Hyde, 8.2; Dare, 6.7; and Currituck, 3.2.

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