

BUSINESS THIS WEEK

Advice On How To Escape The Medicare Catastrophic Tax

Lowering taxable income through tax-free investment is about the only escape from the catastrophic tax increase. Since the surtax will escalate in the future, senior citizens need to evaluate their income stream today.

This is a review of four investments that can reduce your tax bill and help you escape the Catastrophic Surtax.

1) Municipal Bonds:

These bonds are issued by states, cities, counties, and other political subdivisions. Interest income from most municipal bonds is exempt from federal income taxation. In fact, interest income from these bonds may also be exempt from state and local income taxes if issued in the city you live. Municipal bonds normally yield less than equivalent quality, taxable bonds; but as your tax exposure increases, so does the value of these tax-exempt securities. Municipal bonds usually sell in \$5,000 lots.

2) Tax-exempt Unit Trusts:

Tax-exempt unit trusts, also known as municipal unit investment trusts, consist of fixed portfolios of quality municipal bonds selected by professionals. Generally, tax-exempt unit trusts provide monthly income that is free from federal income tax. Units are typically available in \$1,000 amounts.

Although the income from tax-exempt unit trusts is exempt from federal tax, it will generally be partially or totally subject to any state or local income tax, depending upon the specific holdings of the fund and the specific state law applicable to the investor.

An exception to this taxation at the state level is found in certain tax-exempt unit trusts which invest solely in municipal bonds for one state.

For the investor who is not familiar with the municipal bond market, but who desires diversification and receipt of monthly income free from federal income taxes, the convenience of tax-exempt unit trusts should have considerable appeal. The investor would not have to contend with coupon clipping, supervision of the portfolio or market decisions.

3) Tax-exempt Mutual Funds:

A tax-exempt mutual fund is an open-end investment company whose portfolio consists primarily of municipal bonds. The interest obtained from these bonds is passed through to shareholders on a monthly basis free of federal tax.

These funds offer investors

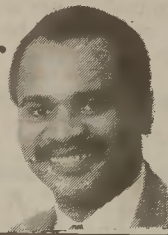
many advantages not ordinarily associated with individual municipal bond issues. These include continuous professional management, broad diversification, an opportunity to invest dividends in additional fund shares, and a relatively small initial investment.

The flexibility of an open-end fund allows the investment manager to adjust the portfolio to take advantage of changing interest rate cycles and investment opportunities by shifting

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credit ratings coupons and maturities of the underlying bonds. The ability to change the portfolio as market conditions warrant should help to preserve investor principal and provide a continuous stream of tax-exempt income.

4) Tax-exempt Money Market Funds:

If you are seeking relief from a large tax burden but need the highest degree of liquidity and stability of your principal, you may wish to consider investing in a tax-exempt money market fund.

The portfolio of such a fund consists of high quality, tax-exempt municipal obligations with very short maturities. Tax-

free dividends are declared daily and reinvested in additional fund share. You may convert all or any part of your account to cash at any time.

If you have any questions about tax-free investments, please contact Marcus Butts, c/o The Charlotte Post, P. O. Box 30144, Charlotte, N.C. 28230.

Braces For Children & Adults

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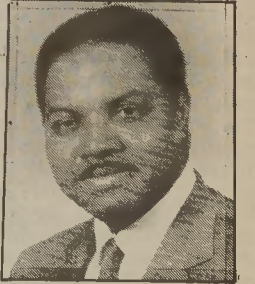
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The Impact of Tax-Free Income in Dollars and Cents

A retired couple eligible for Medicare invest:

	Taxable		Tax Free
	50,000@9%* taxable (28% Tax Bracket)	50,000@9%* taxable (33% Tax Bracket)	50,000@7.50%* taxfree
Income Earned	\$4,500	\$4,500	\$3,750
Less Federal income taxes	-1,260	-1,485	-0-
Less Medicare surtax	-189.00	-222.75	-0-
	\$3,051	\$2,792	\$3,750

The Bottom Line: 28% Tax Bracket 33% Tax Bracket
\$699 More After-Tax Income \$958 More After-Tax Income
23% More Money! 34% More Money!

*Yield spread that extra between similarly rated securities.

Woodlawn
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Dear Jane,
Just wanted to let you know your suggestion was perfect. We could not have chosen a better place to have our reception. Al's family was so impressed with the accommodations and I can't begin to describe our reception. The Woodlawn's staff made it so easy. Dad wants to have our family reunion here in August. See you when we get back.
P.S. Great photos, huh!
Love, Nancy

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Job Fair For Minorities

Minority and female job seekers pursuing jobs and careers in accounting, finance, marketing, sales and data processing are invited to participate in a free job fair being conducted by the New York-based Interspace Personnel, Inc., on Thursday, March 9 and Friday, March 10, at the Charlotte Hilton Hotel, 8629 J. M. Keynes Drive at University Drive, in Charlotte, North Carolina.

William Ellis, President of the 15-year-old firm specializing in the recruitment of minorities and women, stated that represent **COMPANIES** On Page 5A.

These Three Are Worth Millions.



You may be, too.

These three Charlotteans are responsible for pouring an estimated \$3 million into our economy. How?

As members of various organizations, they each persuaded their groups to meet in Charlotte.

And you can do the same. Whether you belong to a fraternal, religious, social, professional or educational organization, you can easily help bring your group to Charlotte.

Simply call the Charlotte Convention and Visitors Bureau and tell us about your organization — big or small. We'll do the rest.

We'll develop a proposal for your organization. Tailor a meeting to meet the budget. Coordinate hotel rooms. And help with programs for spouses and kids.

Make that call today. Just one medium-sized convention can create about \$400,000 in revenue, on average. Think of how that can enhance our tax base, city coffers and general economy.

Call the Charlotte Convention & Visitors Bureau at 334-2282 and ask for Susan Royster. Your call may be worth millions.

(L to R) Sylvia Danie, The National Environmental Health Association Convention, June 25-28, 1990; Jerry Bush, The International Right of Way Association Convention, June 13-19, 1992; The Reverend William White, The 43rd Quadrennial Session of the General Conference, A.M.E. Zion Church, July 27-Aug. 5, 1988

WHERE SPRING HAPPENS



SPRING SHOW IS FAMILY AFFAIR

Young's Nursery of Matthews has been part of the Southern Spring Show for ten years. Theirs is a family affair from growing, selling and sharing expert advice with show visitors.

Sarah and Willie Young will be at this year's fabulous show along with more than 300 exciting exhibitors. Plus, there'll be glorious gardens, designer rooms, crafts galore and everything you need to spruce up your home for spring.

HOURS: 10 am to 9:30 pm; Sundays, 10 am to 6 pm. ADMISSION: \$5. Students (6-12) \$3. Advance tickets \$4.50.

For more information or to order tickets: Southern Shows, Inc. Box 36859 Charlotte, N.C. 28236 Tel: 704-376-6594



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FEBRUARY 25-MARCH 5, 1989 CHARLOTTE MERCHANDISE MART



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