

Homeowners eligible for bigger tax returns

Owning a home is an expensive proposition in today's economy. But remember, a house is more than a home in many instances; it is an investment. The North Carolina Association of CPAs wants to share some tax tips for homeowners to help them make the most of this investment when filing their 1986 tax returns.

Specific tax deductions which may be available to homeowners include mortgage points, home equity loan interest, and real estate taxes. These can save tax dollars for many homeowners if they meet specific criteria.

Mortgage points may be deductible on your tax return. If, in 1986, you paid points on a loan to buy your principal residence, not an additional home, you may be able to take a full deduction on your tax return. To qualify for this deduction, you must meet three criteria: the loan must be secured on your principal residence, points must be a common practice in your geographical area and the points you paid cannot exceed the average fees for loans in your area.

If you refinanced your home, or if you purchased a second home, you may be able to take a partial deduction. In this case, each point is equal to one percent of the amount borrowed and is usually amortized (gradually deducted) over the life of the mortgage. For example, if you secured a 30-year mortgage, each point is deductible to the extent of one-thirtieth of the fee paid in 1986. Depending on the amount borrowed and the number of points paid, this can add up.

All homeowners are eligible for the mortgage interest deduction. When you take out a mortgage, your monthly payments may include principal payments, interest, fire insurance and taxes. Of that payment, your interest and taxes are deduct-

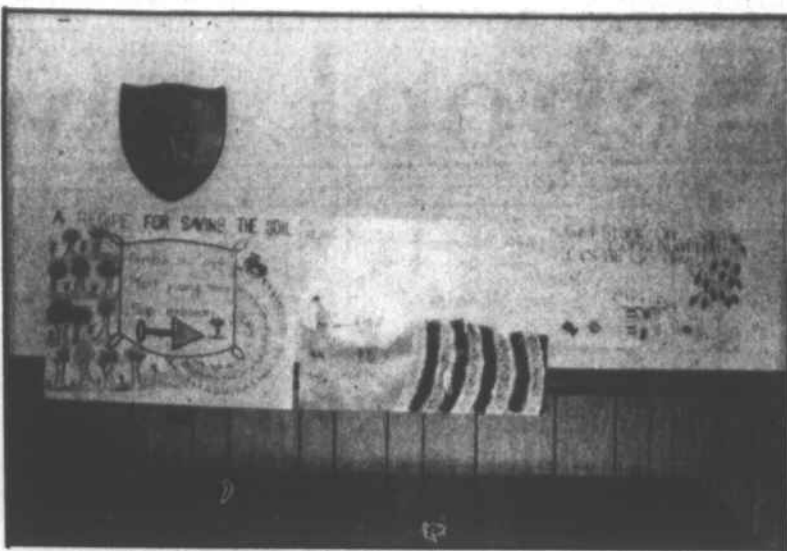
ible. At the end of the year, your bank will send you a statement of precisely how much interest and taxes were paid over the year. Don't forget to deduct this interest and taxes on your tax return.

Did you sell your house in 1986? If so, you may also have elected to pay off your mortgage. If you did, and were charged a prepayment penalty, the good news is that it is totally deductible on your tax return. However, if within two years you bought a new home which was less than the cost of selling your other home, you will have to pay taxes on any realized capital gains. The cost of any home improvements you made in 1986 can be used to reduce the gain. If you're over 55 and meet certain requirements, you can elect to exclude up to \$125,000 of the gain.

Another deduction available to homeowners is for the interest paid on a home equity loan in 1986. Based on the market value of your home after subtracting what you owe through any outstanding mortgages, this money can be used to finance anything. After August 16, 1986, you cannot deduct interest on loan amounts exceeding the original cost of your house plus any improvements, except for medical and educational purposes.

Depending on your personal financial situation, these other deductions could save you a substantial amount on your tax bill. If you need more information regarding these and other deductions available to homeowners, contact a CPA. He or she can give you more detailed information regarding your specific needs.

Owning a home is the American dream. And these deductions might help homeowners sleep a little easier.



Pictured above left to right are the winning posters from the local soil conservation poster contest. Winners are as follows: (left) 4th grade-Kristen Sawyer, (center) 5th grade-Heather Stallings, and (right) 6th grade-Braden Boone. These poster received first place awards in their respective categories.

Contest winners announced

Recently students from Perquimans County in grades four, five and six participated in the local Soil Conservation Poster Contest.

Posters were judged on Thursday locally and prizes were awarded as follows: 1st prize, fourth grade: A Recipe For Saving the Soil-Kristen Sawyer, Mrs. Lightfoot, Central School.

1st prize-5th grade: Make Water Walk Not Run Downhill, Heather Stallings, Mrs. Tatum, Union School.

2nd prize, sixth grade: Get Stuck On Conservation by Braden Boone, Hertford Grammar School.

2nd Places: 4th grade-Amber Bass-Hertford Grammar, 5th grade-Eddie Wyanand, Hertford Grammar, 6th grade-Keshia Mallory, Union School.

3rd places-4th grade-Ashley Williams, Central School; 5th grade-Charles Simpson, Hertford Grammar School; and 6th grade, Renae Owens-Hertford Grammar School.

First and second place winners will now go on to compete at the district level of competition with award winning posters from Pasquotank, Chowan, Gates, Currituck and Camden Counties on March 5th. First and second place winners from Perquimans County and other counties in the district will also be honored on the fifth of March with a luncheon at Angler's Cove.

Students who win 1st place at the district level will go on to state competition later this month.

Congratulations to all the winners!

Grant monies approved

RALEIGH—Human Resources Secretary Phillip J. Kirk, Jr., today announced the approval of \$107,000 in grant awards to help strengthen community dependent care in North Carolina for young children, older adults, and persons with mental and physical disabilities.

He added that 60 percent (over \$64,000) of the funds were allocated to the North Carolina Department of Public Instruction to develop and expand local before-and-after school programs and care for so-called "latch key" children (under 17 years of age) who are without adult supervision for part of the day.

The remaining 40 percent (almost \$43,000) of the money will be used to develop new information and referral programs for five community agencies. These grants will focus on providing information relative to care and support for older citizens (65 years of age and older), and persons with developmental disabilities, such as mental retardation or various physical impairments.

"This new initiative re-emphasizes Governor Jim Martin's commitment to education and to building stronger family life in North Carolina," Kirk said. "Dependent care is vital to working parents who are responsible for the care of young children and children in school, or the care of older and disabled family members. The purpose of this statewide effort is to develop better community resources to find the best possible dependent care available."

He explained that the federal "Dependent Care Planning and Development" grant was approved by the U.S. Department of Health and Human Resources in Washington, D.C. for use through September 30, 1987.

Dependent care includes child day care, adult day care, nursing and rest home care, respite care, resi-

denial living group homes, and Developmental Evaluation Centers to help persons with mental and physical disabilities.

The Department of Public Instruction will study how to develop and expand before-and-after school programs for "latch key" children through North Carolina's local education agencies. They will develop a manual for local agencies to use patterned after successful state and national school age child care programs. This cooperative effort will unite North Carolina's existing statewide network of education and human service professionals, as well as parents, community groups, and concerned citizens. The program will be located in public and private schools or community centers.

The five community information and referral projects will be administered by DHR's Child Day Care Section in the Division of Facility Services, according to Section Chief Dr. Nancy H. Brown.

Dr. Brown explained that the projects are designed to locate and provide support and assistance to families with the responsibility for providing care for dependent family members.

Computerized information will be distributed through a wide variety of human service agencies including county health and social services departments, Area Agencies on Aging, schools, churches, businesses and industries, and volunteer groups. The data will include the type of services available, as well as the locations and cost.

"These important demonstration projections recognize the growing community need for dependent care," Dr. Brown said. "Consumer education help families make more informed choices about quality care for their dependents."

Citizens urged to prepare

North Carolina's most dangerous weather season will start in a few weeks with the increased possibility of death-dealing, destructive tornadoes and hurricane developing, but precautions can reduce the likelihood of deaths, injuries and property damage.

Tornadoes and hurricanes can occur almost any time of the year, but conditions favor their occurrence March through October. North Carolina is one of the few states subject to both types of destructive storms.

"But residents can reduce the probability of deaths and property losses by taking several common sense precautions before a spring storm system arrives," warns Paul V. Cope, president of the N.C. Insurance News Service, a voluntary association of insurance companies operating in the state. Cope is Carolinas district manager of Liberty Mutual Insurance Companies.

Due to the devastation that resulted from the combination of high tides and storms in December and January, property along the states' coastline is especially vulnerable this year. The storms destroyed seawalls and toppled structures, resulting in damage estimated at \$5.6 million.

"North Carolina residents need to be especially watchful," said Cope. "They need to be prepared for the possibility of tornadoes." Few Piedmont residents have forgotten the March 28, 1984 tornadoes that took a toll of 57 deaths in the Carolinas and \$50 million in property damage.

Although tornadoes are more often associated with the spring season than hurricanes, both kinds of storms can occur year-round.

Hurricanes are rain, thunder and lightning storms with more than 75 miles an hour. Prevalent between August and October, hurricanes can strike earlier. For example, Hurricane Agnes hit North Carolina in June, 1972. One danger of hurricanes is that they frequently spawn tornadoes.

Between 1981-85, 838 persons were injured as a result of tornadoes in North Carolina, the highest number

NC families need vaccine price release in the future

RALEIGH—Vaccine prices must come down to prevent the spread of long-forgotten childhood diseases, according to the North Carolina Pediatric Society.

"Pediatricians in North Carolina are extremely concerned that the high cost of some state-mandated vaccines is preventing many parents from having their children immunized against potentially deadly diseases, such as whooping cough," said Dr. Dave Tayloe, Jr., a Goldsboro pediatrician. "We're concerned that unless vaccine prices come down soon, we'll see fewer and fewer children who visit a physician regularly and receive all of the necessary shots."

According to Dr. Tayloe, proper vaccinations are one part of a child's total medical program. Regular visits to a personal physician are very important to the healthy physical and emotional development of a child.

The physician said that vaccines today are so expensive that many parents are forced, for economic reasons, to take their children to public health departments—where immunizations often are paid for by the State—or forego vaccinations altogether.

While the state's health department pays only \$3 per dose for the DPT vaccine under a low-cost federal contract, private physicians pay as much as four times that price—in part to cover the cost of liability insurance for manufacturers.

North Carolina's immunization program office reports that vaccinations in public health clinics have increased by nearly a third since 1985. This trend worries public health officials and pediatricians in the state who say that the clinics neither have the staff nor budget to handle the increased patient load.

In 1986, 88 cases of whooping cough, also known as pertussis, more than double the number in 1985. One Forsyth County child died of the disease. The rise in reported cases of whooping cough in the state parallels outbreaks seen across the nation.

"We believe that the General Assembly helped North Carolina's children last year by providing no fault compensation for those few young-

sters injured by state-mandated vaccinations," said Dr. Tayloe. "It was our belief that the statute would lower vaccine costs in North Carolina, but unfortunately this hasn't occurred yet."

About one in every 310,000 children suffers unpredictable permanent injury as a result of the vaccine.

The legislation protects health care providers and vaccine manufacturers from lawsuits unless the State has grounds to believe that they were negligent in the administration or manufacture of the vaccine.

Vaccine manufacturers have said they will reduce for certain amendments to the 1986 law. Their suggested amendments would:

- Abolish the 1989 Sunset provision;
- Prevent the "black marketing" of low-priced vaccines with stiffer criminal penalties;
- More clearly define "defective product";
- Ensure that any legal proceedings pertaining to state-mandated vaccines administered in North Carolina after October 1, 1986, will be held in the state.

Before an effective pertussis vaccine was developed in the 1940s, nearly one of every 500 children suffered from the disease and about 7,500 died annually. Currently, fewer than one in 100,000 children are afflicted each year. North Carolina and most other states require all children to be vaccinated before they are admitted to public school.

Pertussis vaccine is usually given in combination with tetanus and diphtheria toxoids (DPT) starting at two months of age. Additional doses of DPT are recommended at four, six and 18 months and between four to six years of age.

"One of the main goals of the N.C. Pediatric Society is to work with other child advocacy groups and state government to make immunizations available to every child at a reasonable and affordable cost," Dr. Tayloe stressed.

The N.C. Pediatric Society is a group of more than 600 physicians throughout the state who specialize in medical care for young people from infancy through adolescence and young adult life.

Local poster selected

The National School of Traffic Safety Poster Program (AAA) has notified Cornelius R. Mack that his poster, will be judged in the National Contest. Mack is a 10th grade student at Perquimans County High School.

His instructor is Ms. Deborah Phillips Coates.

Mack is the grandson of the Rev. and Mrs. Wright Demery of Belvidere.

Classifieds get results

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Livestock meeting dates

By JEFF COPELAND
Area Livestock Agent

Livestock Producers Meetings—Perquimans, Gates, and Chowan producers have two upcoming meetings at the County Extension Office in Hertford.

Annual Cattleman's Breakfast—featuring Paul Mueller, NCSU Forage Specialist on Pasture Management-New Zealand Style; Steve Washburn, Reproductive Specialist for Beef and Dairy on Heifer Selection and Sixty Day Breeding Pro-

gram; Billy Elliott, local producers speaking on Simmental Cattle. (Friday 7:30 a.m., March 6)

Pork Producer's Meeting—featuring Jack Parker Area Swine Specialist on Ventilation In Hog Houses; Terry Coffey, NCSU Nutrition Specialist on Mycotoxins; and Scott Alons, Feeder Pig Coop Manager on the Local Coop In Edenton (Tuesday 7 p.m. March 10)

Both meetings have sponsored meals, and producers should call 426-5428 to reserve their spot at the table.

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STARTS FRIDAY
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