

BUSINESS AND FINANCE

Act Now on Expiring 2009 Tax Breaks

By Jason Alderman

In the depths of the recession the government passed the 2009 economic stimulus bill and tweaked the federal tax code to help boost consumer spending and assist people who were losing their jobs, homes and benefits. Now, several of those tax breaks, rebates and other incentives are due to expire at year's end.

Congress and the Obama Administration may ultimately decide to retain some or all of these benefits. But just to be safe, here are a few you may want to tap now, if they make sense for your individual situation:

Homebuyer tax credit. If you haven't owned a home in the past three years and meet certain income guidelines, you may qualify for a tax credit of up to \$8,000 on homes purchased before December 1, 2009. This is a tax credit, not a deduction, which means your taxable income is reduced by the credit amount. For more details, search for the First-Time Homebuyer Question and Answers document posted on the IRS website (www.irs.gov).

Property tax standard deduction. If you don't qualify to itemize deductions on your federal income tax but do pay state or local real estate taxes, you may qualify to add up to \$500 (\$1,000 for joint filers) in property taxes paid this year to your standard tax deduction. Rules and filing instructions are complex, so read IRS Tax Tip 2009-47 at www.irs.gov for details.

Sales tax deduction for new cars. If you buy a new car, light truck, RV or motor-cycle before December 31, 2009, you may be able to deduct state and local sales and excise taxes on up to the first \$49,500 of the purchase price, even if you don't itemize deductions. The deduction gradually phases out for those whose adjusted gross income is over \$125,000 (\$250,000 for married couples filing jointly). Please note that this is different from last summer's expired "Cash for Clunkers" program.

Health insurance. If you are laid off before December 31, 2009, and your employer has 20 or more employees and offers health insurance, you may qualify for a 65 percent subsidy of the cost to continue coverage through COBRA, the federal law that allows many people to retain such coverage at their own expense. Check with your human resources department and visit the Department of Labor's website for more details (<http://www.dol.gov/ebsa/cobra.html>).

Deduction for education expenses. Through 2009, parents or students may deduct up to \$4,000 for college or other post-secondary education tuition and other qualifying fees, even if they don't itemize deductions. There are certain restrictions and income limits, so refer to the IRS' "Top Ten Facts About the Tuition and Fees Deduction" for more details (www.irs.gov/newsroom/article/0,,id=205361.00.html).

Educator expenses. Teachers and other educators who work at least 900 hours during a school year may deduct up to \$250 for eligible unreimbursed expenses they paid for out of pocket, including books, supplies, equipment and software used in the classroom. They may do so even if they don't itemize deductions on IRS Schedule A. Read Topic 458 at www.irs.gov for details.

One Man's Opinion

By Gerry Chong

".....One nation, under God, indivisible, with Liberty and Justice for All."

Last week, my brother and I were holding a wistful discussion about whether or not the words of the Pledge of Allegiance have any meaning. His thoughts were that if we are to remain a single nation, we must have a centrist set of values leading to common goals. While I agree with the objective, I do not think it is possible.

Unfortunately, we have devolved into two separate peoples. On one side are those self-reliant families that pay more than their share of taxes, quietly raise their families and ask for a restoration of individual freedoms, including freedom from government intrusions. These residents of Mayberry are located in small towns and cities, suburbs, exurbs, and rural areas outside of America's largest cities, away from the news making media. In fact, America's major cities are democracy's greatest failure.

In this mix of elitism and desperation we find a milieu of wealth and poverty. Mansions next to homeless camps; great art museums co-existing with street graffiti; gourmet restaurants next to soup kitchens; world-class universities next to failing public schools. These central cities are the battlegrounds for street gangs and drug dealers. They foster both racial discord and reverse discrimination. For many, they discourage a sense of self-worth and suppress any belief that individual effort will result in personal improvement. What's left is a dependence on communalism.... a reliance on government to solve the problems that overwhelm individual capabilities.

Clearly, Democrats have been far more empathetic and compassionate than Republicans in understanding the shortcomings of American cities, but the consequences of long-term entitlements are both moral and financial. Morally, long term social programs tend to encourage further dependency, not independence; and financially, those programs can bring a country to ruin through excessive taxation or uncontrolled public debt.

I believe the juxtaposition of the needs of the large cities versus the more self-reliant people living outside the urban core is at the

center of the battle between the political Left and Right. That battle has grown louder and more extreme because the Left always sees a growing need for government programs, especially in a recessionary economy; while the Right believes we have reached a "tipping point" and cannot afford more government spending, with its disproportionate allocation of civic responsibility.

Here are a few numbers to think about: Senator Dianne Feinstein says "entitlements" now constitute 50 percent of our national budget. If we include interest on those entitlements, it now constitutes 53 percent of the budget. How high can that percentage rise without toppling the economy?

The non-partisan Tax Policy Center says 47 percent of all households will pay no income taxes (that's right, zero, nada, zilch) in 2009. The remaining 53 percent will have to carry their neighbors.

The non-partisan Congressional Budget Office (CBO) says 70 percent of Americans will receive more benefits from the government than they pay in taxes. (Selfishness is not limited to the Boardrooms of Wall Street.)

Government economists agree that in ten years the national debt will explode from \$11 trillion to \$20 trillion. In the last 12 months alone, interest on the national debt has ballooned to \$384 billion, a sum greater than one billion dollars per day! That interest raises the cost of home mortgages, consumer credit, corporate credit, and even government debt.

The standard of living for everyone will fall when the day comes to pay the piper, but the burden will fall heaviest on those young families raising young children. Without upward mobility, their future is bleak.

Compassion is an interesting phenomenon. Freely given, it is a noble and uplifting expression of the highest values man can have toward his fellow man.

When forced, however, it quickly becomes oppression, a taking. Moreover, from Watts years ago to Chicago today, we have created a permanent underclass, utterly without hope or capability.

Both our forefathers who came before us, and the generations that come after us will condemn us for the society we have created through governmental philosophy. •

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Frankly

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if the runner bearing down on him caused the errant toss, Utley said nope, that "I had plenty of time to turn it. I just didn't make a good throw."

Good for Utley, being a stand-up guy and all when addressing the brilliant scribes after the costly miscue. Now let's see if he can stand up and stand in and turn the double play in the critical contests down the road.

Where the hell did Vicente Padilla come from? Trolley Dodger fans should be oh-so very thankful that the big righty, jettisoned by the pitching-poor Texas Rangers in August, ended up tossing his 94-mph fastballs on the hill at the Ravine. Another great acquisition by Dodger GM Ned Colletti, who may be faced with some challenges down the road after the McCourt divorce proceedings play out. Speaking of that touchy subject, heard the word "Cougar" bandied about. No clue what that meant.

Anyway, Padilla looks like Don Drysdale out there, throwing strike after strike, pounding both sides of the dish. Boy, I sound like I know what I am talking about, don't I? Back to Padilla, enough self congratulations. Padilla will be on the hill again in this series, and isn't that a comforting thought for Dodger fans who had to witness the

game one implosion of Clayton "Koufax" Kershaw, or the complete disappearance of one-time ace "Bad" Chad Billingsley. Who had been tossing the pelota more like Barbara Billingsley in the past three months, prior to his very somewhat effective long man stint on Sunday night after the abject failure of starter Hiroki Kuroda.

You do remember B. Billingsley, right? Actress who played momma June Cleaver on the fine prehistoric TV offering, *Leave it to Beaver*? According to semi-reliable research, Miss B. is still kicking it, looking forward to celebrating her 94th birthday in December.

Need to get a peeve off of my virtually hairless chest regarding the baseball playoffs. The umpiring looks to be a tad bit off, doesn't it? Okay, the umpiring has been horrendous. Bad calls at first, missed pitches behind the plate, and maybe the worst call that I have ever seen, when a line drive down the left field line that actually hit the fielder's glove about four feet in play, then bounced to the turf about two feet inside the foul line, was ruled foul by the incompetent ump who was standing about, oh, four feet away from the play. Shockingly, the call benefited the NY Yankees. And the rich get richer. And all the breaks. Carumba! •