

tax topics

Here's the latest in tax changes

Topics featured in this column will alternate each week between Alexander Grant & Co., Platts & Moran, Price Waterhouse & Co., Lauenroth & Horvath and the Michigan Association of Certified Public Accountants. Today's column was prepared by Mark Dow, tax manager for Price Waterhouse & Co.

In 1980, for a change, few changes were made to the rules for the taxation of individual income. But for those affected, the changes may have a significant and generally favorable tax effect.

● **Installment Sales.** A new law completely revises the rules — generally retroactive to Jan. 1, 1980 — for reporting a gain realized on the sale of all non-business (and most business) properties under any installment or deferred payment arrangement.

The revised rules state that if payment of any portion (no matter how small) of the selling price of property is deferred until after the end of the year of sale, the gain attributable to the deferred amount is not taxable until the year(s) in which the deferred payment(s) is received.

Note should be made that (1) a gain on a pre-Oct. 26 sale is not reportable under the installment method unless it is affirmatively elected by the taxpayer; and (2) a gain on a post-Oct. 19 sale is automatically taxed under the installment method unless the taxpayer expressly "elects out." A loss sustained on a deferred payment sale cannot be reported under the installment method.

● **Tax Basis of Inherited Property.** The long-standing rule has been the tax basis used for computing gain or loss on inherited property is its fair market value at the date of the person's death (or at an alternate valuation date). But for property acquired from a person dying after 1979, the simple "date of death value" rule was scheduled to be replaced by complex carryover basis rules.

Under the latter rules, the person's cost basis for property would continue to be its tax basis in the hands of the estate of heir(s). Last April Congress retroactively repealed the carryover basis rules and reinstated the "date of death value" basis rule, subject to an exception.

In the case of a person who died after Dec. 31, 1976 and before Nov. 7, 1978, the estate was given an option until July 31, 1980 to elect to use the carryover basis rules.

● **Residential Energy Credits.** The credits allowable for expenditures made to install energy savings items, particularly "renewable energy source items," have been expanded in several respects. It is allowed for the costs of the following energy saving items installed in your particular residence (whether rented or owned): 15 percent of the first \$2,000 of expenditures for qualified energy conservation items installed in a principal residence which was substantially completed before April 20, 1977; and 40 percent of the first \$10,000 of expenditures for qualified renewable energy source items installed in a principal residence whenever completed.

Outlook 1981

Computer experts sought

Computer specialists and engineers head the list of most-sought after professionals for 1981.

A professional job/salary forecast survey of 4,580 U.S. companies of every size and industry group reveals that the overall demand for computer experts will rise 27.6 percent above 1980's level nationally and 25 percent locally.

Companies polled responded that engineering needs will jump 20.1 percent nationally and 17 percent locally, according to Professional Personnel Consultants of Southfield.

Other professionals in strong demand for 1981 include specialists in accounting and finance, human resources/personnel, sales and marketing and health care.

Computer programmers' demand will soar 35 percent while degreed electrical/electronics software engineers will be close behind. Also in strong demand will be management level personnel with computer knowledge including data base managers and

corporate vice presidents.

IN THE ENGINEERING profession, the survey indicates that electrical/electronics engineers will lead the U.S. demand followed closely by mechanical engineers and design engineers.

Energy related engineers with experience in synthetic fuels will be prized as will productivity-profits conscious industrial engineers, especially those with MBA degrees.

In the metropolitan area, Professional Personnel Consultant President Dan Mistura says the engineers most in demand will be mechanical and manufacturing engineers.

Overall, he says, demand will be greatest for engineers with 2-5 years experience.

At the entry level, graduates with BS/EE degrees will be most wanted followed by BS/ME, BS/IE and chemical engineers.

FINANCIAL VICE presidents will enjoy an 18 percent rise nationally and

15 percent locally. Other top positions include financial analysts and auditors.

A sharp increase in demand for technical personnel recruiters, up 15.4 percent nationally and 10 percent locally, is forecast.

Demand for sales engineers will increase 14 percent nationally and nine percent locally.

Among the service industries, perhaps the fastest growing of all will be the health care industry.

It's considered to be the nation's top dollar volume industry today, Mistura adds.

Most in demand in the Detroit area will be registered nurses and licensed practical nurses.

Chief executive officers with a strong generalist's grasp of the entire corporate picture will continue to be in short supply compared to demand.

Woman will rise up the management ladder at an accelerated pace in 1981, Mistura says.

marketplace

WITH interest rates continuing high, December mortgage closings

moved further along the downward slope begun in November in Oakland, Wayne, Macomb and Washtenaw counties, according to the latest figures from the Lawyers Title Insurance Corp. Mortgages of \$200,000 and under, the home loan category, numbered 4,484 and involved \$166,686,529. The figure compares to 4,721 loans totaling \$173,177,062 in November and to 5,012 worth \$182,272,116 in December, 1979.

NATIONAL Detroit Corp. will change its name to NBD Bancorp Inc. subject to shareholder ap-

proval at its April 20 annual meeting. It is Michigan's largest bank holding company with total assets as of Dec. 31 of \$10.9 billion. It is the parent company of the National Bank of Detroit and 11 other banks around the state as well as mortgage, finance and insurance subsidiaries.

AN AGREEMENT in principal was reached between Renaissance Center Partnership and The Center Companies (TCC), formerly Dayton Hudson Properties, whereby TCC will handle leasing and management of retail space in the Renaissance Center. TCC, the real estate arm of Dayton Hudson Corp.,

manages 25 shopping centers nationwide. The agreement calls for TCC to lease some 115,000 square feet of retail space in the existing complex. Approximately 90 retail tenants already occupy 225,000 square feet. TCC developed the nation's first one million-square-foot shopping center, Northland in Southfield, and the first two-level enclosed mall, Southdale in Minneapolis.

THE BUBBLE King Corner Boutique opened in the lower level shopping area at 110 S. Woodward in Birmingham. The shop features a selection of crystalware, original fine arts paintings and custom collage picture framing.

datebook

JACK BOLOGNA, president of Oridonne Associates, will be the guest speaker at the Feb. 19 meeting of the Detroit chapter of the National Association of Accountants. His topic is myths of white collar crime. Fellowship starts at 5:45 p.m. at Carl's Chop House in Detroit with dinner at 6:30 and the meeting at 7:30. For more details, call L.H. Strelbel at 961-9470, ext. 513.

AS PART OF its Export 80s Action program, the Greater Detroit Chamber of Commerce will initiate a series of free seminars on exporting. The first session, an introduction to exporting and evaluating export potential, is 9 a.m. to noon Feb. 25 in the chamber's mezzanine conference room, 150 Michigan Ave. in Detroit. Advanced registration required by calling William Gibson at 964-4000. Other sessions in the series are March 25, April 22, May 27 and June 24.

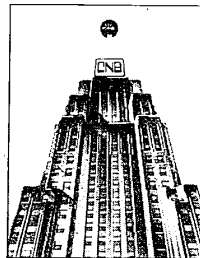
THE MICHIGAN Chapter of Real Estate Associates presents a past presidents meeting in the Crystal Ballroom of the Book Cadillac Hotel, 1114 Washington Blvd., Detroit, today. The program includes a panel discussion on commercial banking in the '80s.

THE BIRMINGHAM High Twelve Club will discuss the domestic auto industry and what General Motors is planning to cope with the present economic situation when George Cromer, administrative engineer for current product engineering at GM, joins the group at its 6:30 p.m. meeting Friday at the Birmingham Community House. For more details, call Daryl Ann Dawes at 575-0185.



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