

# Here's a look at Senate's tax reform bill

On Tuesday, the U.S. Senate approved its tax reform bill. But the bill has a ways to go before it is signed into law. In fact, the road ahead for the legislation might be tortuous and strewn with hazards. However, the parameters of the new tax law are clearly discernible. The outlines of the Senate bill have appeared in all major publications including the Wall Street Journal, Business Week and Forbes. In addition, large accounting firms have issued special bulletins on this bill. Here is a brief — albeit incomplete — summary of the bill prepared from these publications. Simply stated, the bill would provide a top marginal tax rate of 27 percent for individuals as shown in the accompanying table. These new rates would apply


taxable income		
Individual return	Joint return	percentage rate
0-\$17,600	0-\$29,300	15
more than \$17,600	more than \$29,300	27

\*new rates apply starting in 1988  
combination of old and new rates apply for 1987

starting in 1988. For 1987, a combination of old and new rules would apply. 1. The bill allows a \$2,000 personal exemption (\$1,900 for 1987) for most families, with the exemption phased out for high-income tax payers. 2. Above \$75,000 taxable income, taxpayers will start paying 27 percent on a part of the first \$29,000 in income, previously taxed at 15 percent. Above \$145,000, taxpayers will begin losing their personal exemption. At even higher incomes, the marginal tax rate reaches 32 percent. 3. The bill makes several changes in capital cost recovery revisions. It

repeals the investment credit for property placed in service after 1985. It also lengthens the recovery period for real estate (residential rental) from 15-19 years to 27.5 years and other properties from 19 to 31.5 years. 4. The bill repeals the IRA deduction for taxpayers covered by other pension plans. 5. The bill also repeals the capital gains exclusions for individuals so that capital gains will be taxed at the same rate as other income. 6. The bill drastically reduces the advantages of investing in tax shelters. It provides that, with certain exceptions, credits and losses from other rental activities or other activities in which the taxpayer does not actively participate may be used only to offset income from those activities.

finances and you



**Sid Mitra**

7. The bill places a \$7,000 annual limit on deferrals of income to 401(k) plans. 8. The 10-year averaging for lump-sum distributions from a qualified pension plan would be replaced with five-year averaging. However, the bill would retain the current law of 10-year averaging for lump-sum distributions to employees age 50 by Jan. 1, 1986. Next week: Tax reform and the investment climate. Educational seminar: Main Topic

"Impact of proposed tax legislation on your 1986 investment, tax and retirement planning." The seminar, sponsored by Observer & Eccentric Newspapers and Coordinated Financial Planning Inc., will be held 7-9:30 p.m. Tuesday, July 8, at the Baldwin Public Library, 300 Merrill, Birmingham. Sid Mitra is director of certificate program in personal finance at Oakland University and president of Coordinated Financial Planning Inc.

## business people

David C. Martin of Birmingham was named a general line sales representative for the Detroit plant of Joseph T. Ryerson & Son Inc. He will represent the company's products in the Troy and Sterling Heights areas.



Martin



Meisel



Cozgrove



Anderson



Blay



Smith

I.B. (Burt) Meisel, Connecticut Mutual Insurance agent in Southfield, and daughter Shelley M. Meisel, National Life Insurance agent in Birmingham, are among the 100 people scheduled to address Million Dollar Round Table members at this year's Annual Meeting June 29 to July 3 in Florida.

The following persons have been named to new positions at Percorpton Inc. in Farmington Hills. They are: James K. West to vice president of corporate engineering; Neil E. Barlow to director of product development; Mark A. Veracchia to director of applications engineering and customer support; and Joseph Hoffman to director of operations buy/build/test.

John Mroz of Rochester Hills was named support services supervisor at General Television Network. Mroz is responsible for overseeing the scheduling of GTN's production and post-production facilities, videotape duplication, location coordination and in-house services. Mroz also will supervise client services in the facility.

Roa Anderson and Cynthia Blay Maximize were named to new positions at Grace & Wild Studios, Farmington Hills. Anderson was named supervisor of film services and Maximize, account representative.

David S. Cozgrove of Bloomfield Hills has been elected vice president of a Foundation for Hospice and Homecare. Cozgrove is the head of Kalamazoo-based Upjohn Health Care Services.

Lake has joined the staff of United Foundation as an associate campaign director of the pacemakers unit. In her new position, she will work with organizations asked to run Torch Drive campaigns early, setting the pace for other companies throughout the campaign.

A&W's marketing effort and will be responsible for public relations, promotional activities and the chain's bi-monthly newsletter. Before joining A&W, she was advertising manager for Dino's USA Inc.

William F. Vieson of Bloomfield Hills was named a partner at Price Waterhouse. John and P.J. Thorndycraft are the new owners and operators of the American Speedy Printing Center in Birmingham.

Tracy Smith and Suzanne Tyutkik were named assistant managers at the English Gardens West Bloomfield store.

John A. Howard of Birmingham joined Ross Roy Inc., advertising agency, as a writer. He will write copy and assist in the production on a variety of projects. Prior to coming to the agency, Howard was a writer/producer at Howard Bell Advertising, and earlier an account executive/writer at Specialized Communications.

Diana Murray and Deborah Diers, both of Farmington Hills, have been named media supervisors, planning at W.B. Doner and Co. Murray and Diers will plan media strategy as well as supervise and train media planners and assistants.

The following people have been named to new positions at Sun Life Assurance Co. of Canada. They are: David Burnstein of Bloomfield Hills to the newly created position of vice president, distribution development; and Jerry Rubin of West Bloomfield to replace Burnstein as manager of the Detroit sales office.

E. Geoffrey DuMahant of Southfield received the Prudential Insurance Co.'s president's citation award for outstanding sales in 1985.

Ellen E. Alpert of Farmington Hills and Lorraine C. King of West Bloomfield joined Ross Roy Inc. as assistant media buyers. They will assist the media buyers in buying radio

Submit information on new employees, promotions and reassignments to Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150. Please include city of residence.

Julle Hope Stevens of Orchard

## datebook

- **DRUG SCREENING**  
Thursday, June 26 — "Selecting and Implementing an Effective Drug Screening Program" offered from 9 a.m. to 3:30 p.m. at the Kingsley Inn, 1475 N. Woodward, Bloomfield Hills. Fee: \$195. Information: Terry Dunivin, 996-1950. Sponsor: Institute for Management Education.
- **INFORMATION SHOW**  
Thursday, June 26 — Management information show, "Reaching Out for New Ideas — In the Game of Business," offered at Roma's of Bloomfield. Information: 655-2288. Sponsor: Michigan Association of Certified Public Accountants.
- **COMPUTERIZED ACCOUNTING**  
Thursday, July 10 — "Understanding Computerized Accounting Sys-

tems," a free three-hour seminar, offered from 9 a.m. to noon at Entro Computer Center in Southfield. Information: 569-5570.

● **PROSPECTIVE OWNERS**  
Tuesday, July 15 — All-day workshop for prospective business owners and those who have recently started a business offered from 8:30 a.m. to 4 p.m. in Detroit. Fee: \$10. Information: 229-7947. Sponsors: U.S. Small Business Administration, Service Corps of Retired Executives.

● **AD ASSOCIATION**  
Wednesday, July 16 — Business Professional Advertising Association of Detroit meets. Information: R.P. Murphy, 583-9300.

● **LAW STAFF**  
Thursday, July 24 — "Staffing your Practice" seminar offered from 9 a.m. to noon in Southfield. Fee: \$10. Information: 764-0533. Sponsors: Legal Economics Section of State Bar of Michigan, Institute of Continuing Legal Education.

Information for this column should be sent to the business editor, Observer & Eccentric Newspapers, 36251 Schoolcraft Road, Livonia 48150. Information must be received by Monday to be published in the following Thursday issue. Publication cannot be guaranteed. Information should contain a daytime telephone number where information can be verified.

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500,000	320	430	625	970	1,540	2,385	3,485
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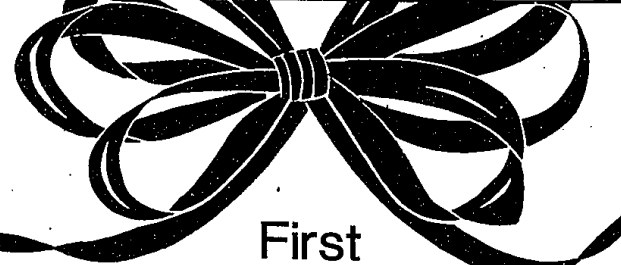
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0.00	4/1/2004	8.80	217.56
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