## Image of Indy winner would give GM a lift

Still, coming down the back straight at 100 mph or so, the wall is oppressively close. It's almost as if you are driving underneath sections of the grandstands, and at the end of the straight the wall looms like a blank chalkboard where you will be-come some kind of graffith.

down at that point, and as the banked track cases the car into the turn, that now looks as wide as Northland's west parking lot, you ask how fast the racers would be going now,

going now.

"About 210 mph," says your host.

Americans have turned soccer
into football, cricket into baseball,
and treat autor racing, which was cultivated like a dueling scar by Eurogean nobility, into a circus of backalley myths such as how the best
drivers got that way running
moonshine whiskey.

The myths take over at Indy, where a million and a half bucks or so and enough perve to head for the chalkboard flat out puts you into the



center gravity of American car raclng.
ACTUALLY, AS an all-American
event, Indy is suspect. Indy cars
mainly represent the best of British
engineering, it's a trend that started
20 years ago when Ford perfected
the art of hyphenated racing car
with the Ford/Cogsworth V-8 racing
engines that dominated Indy car racing two years ago, when Chevrolet

There is also one slightly Japanuse entry, a modified Honda-block en-gine, which is a solid indication of more to come in the future. Indy car sponsorship is mainly corporate to-day, although Roger Penske, who used to run a Chevy dealership on Telegraph, is favored to win with, as they say, a little help from his friends

ing, although Chevrolet historically has been less reticent about its involvement than other GM divisions.

volvement than other GM divisions. Logically, the Buick powered flaycars, which unlike the Chevy's are based on production engines, should reflect the state of GM engineering more accurately than the specialized race engines commissioned by Ghevrolet. Olds has contributed a face car that uses a slightly more powerful version of the engine that powers a 1988 Catals. All these efforts seen closer to the kind of engineering that makes for a better car in the showroom. they say, a little help from his rece engines commissioned by calculations. The decal war at Indy is extreme by important to Chevy this year, and by extendion to General Motors, which sees the image of a winning race car as a way to offset the negative image projected by its failing makes for a better car in the showned with the supportance of the suppo

# Multi-family housing now offers powerful tax break

Not too long ago, tax-conscious individuals invested billions of dollars
in real estate to shelter income, not
to generate it. All of that changed
with the passage of the tax reform
act. The same legislation, however,
created an attractive real estate tax
shelter about which little is known.
The growing need for affordable,
quality housing throughout the country is so important that the TRA of
1986 included a special provision to
encourage individuals and corporations to finance these projects.
In order to encourage investors to
finance these types of houses, the
government now allows the use of
annual federal tax credits, providing
investors with dollar-for-dollar
ginestors with dollar-for-dollar
guestors with dollar-for-dollar
per for 10 consecutive years.
The reason this added incentive to
invest in low and moderate income

The reason this added incentive to invest in low and moderate income real estate exists is simply supply and demand. There are more families who want to live in quality, yet affordable, apartment complexes than there are facilities to accommodate them.

With the cost of single-family houses increasing, a growing number of retirees and low-to-moderate

wage earning Americans are in the market for multi-family housing. As a result, the federal government is encouraging the private sector put money into multi-family housing.

Let us differentiate federal tax Let us differentiate federal tax credit from the traditional tax write-off. Say you invest \$10,000 in two real estate partnerships. Partnership-I provides a 15-percent federal tax credit, whereas Partnership II offers a 15-percent tax write-off. You are in a 28-percent marginal tax brack-et. The difference in tax savings in these two instances is enormous. (See the accompanying table.)

### ABC tax credit fund

Let me describe ABC tax credit fund (not a real name), which offers valuable federal tax credit. ABC is a public limited partnership organized to acquire a diversified portfolio of apartment complexes renting to quality tenants of low and moderate income.

income.

The general partner has the responsibility for making sure that
these apartments meet the criteria

finances and you Mittra

for earning the federal tax credit. Additionally, many receive rental assistance payments. The overall ob-jectives of the ABC partnership are

jectives of the Ann parametering as follows:

Direct federal tax credit benefits to reduce tax liabilities on a dollar-for-dollar basis.

The opportunity for capital appreciation through potential increases in property values at the time of sale.

Preservation and protection of capital contributions.

### Tax benefits and limitations

According to the TRA, a \$10,000 investment would generate federal tax credit of 15 percent per year, amounting to \$1,500 per year, or a total \$15,000 over a 10-year period. Qualified individuals whose adjusted

gross incomes are below \$200,000
per year, and who are in the 28-percent tax bracket, may use up to
\$7,000 in federal tax credit (that is,
investment of up to \$4,600 in ABC)
each year to reduce taxes on ordinnary income.

Any federal tax credit an an indi-

each year to reduce taxes on ordinary income.

Any federal tax credit an an individual cant use one year may be carried back for three years, but not 15 years. Note, however, that federal tax credits cannot be used to reduce alternative minimum tax.

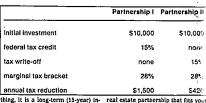
The law gives corporations a much better break. Corporations and the tendent of the t

The drawbacks
ABC is not for everyone. For one

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annual tax reduction thing, it is a long-term (15-year) investment. For another, there is no assurance that the potential for cash distributions during the latter stages of the partnership will be realized. Also, part of the federal tax credit previously taken may have to be realized. Also, part of the federal tax credit previously taken may have to be realized. The provided during the 15-year term of the program. Notwithstanding their inherent limitations, real estate partnerships providing valuable federal tax credits offer attractive opportunities for many livestors. I urge you to contact your financial planner today for a complete evaluation of your needs and a detailed discussion of the best

real estate partnership that fits your situation.

SEMINAR: "Is there Anything." Nice About New Tax Law?" "Oct. agress and Tax on Insurance Policies" and "New Investments for 1988." The Seminar, sponsored, the Observer & Eccentric Newspers and Coordinated Financia; Planning, will be 79:39 pm. Tuc-day, June 14, at the Kingsley In-175 N. Woodward, Bloomfield Hill: Admission: \$10 (tax deducthing the Coordination of Financial Planning.



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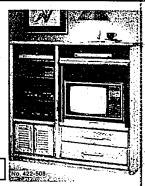
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