Youngsters aren't better off than we were

auto talk

Dan McCosh

The average American baby boomer is beginning to wake up to the fact that he not only didn't leave enough children behind to take care of him in old age, but that many of those who were fathered (or mothered) can't read or write too well.

Maybe this is why there is a sudden rush of remorse about the state of American education.

Corporate guilt frequently expresses itself in a donation to public television, which may be the reason I recently received a notice from Chrysler that it is sponsoring a PBS series on Learning in America — the kind of predictable documentary about why American kids aren't doing so well in school, unless, of course, they are recent Asian immigrants.

IT'S A subject that might seem a bit far afield from the auto industry. But in fact, the car business has a rich history of involvement in education.

Directly, as in the foundation of institutions such as Antioch College and the General Motors Institute, not to mention the social engineering attempted by Henry Ford. And indirectly, through payments of property taxes, still the most common form of financial support for local schools.

In many ways this was enlightened self-interest, since the industry in its early days was on a technological roll that demanded highly trained technicians, engineers and managers, while the workers it attracted often came from backgrounds slightly less than Ivy League.

BUT THINGS changed.

Ford pulled out of Antioch long ago, and GM set GMI off on its own approximately 10 years ago. GM also stopped the science shows that used to tour the country and ended the Fisher Body design contest.

More significantly, American Motors chairman George Romney, as head of constitutional reform for the state of Michigan, altered the assessment base and shifted much of the tax burden away from heavy industry to local homeowners, setting off a series of financial shocks in the city of Detroit and elsewhere, where industry was paying much of the school tab, that nearly bankrupt once-affluent school districts.

MORE RECENTLY, Chrysler led the way to building new facilities in urban areas only with huge concessions from local school taxing districts, while GM and Ford have quietly beaten back local assessments — and local school revenue — through a series of court actions.

I was a little startled to notice that Chrysler today claims to pay $25 million in school taxes in the whole country. I did some quick arithmetic and discovered if it paid at the rate of the average homeowner, it would owe twice that in the city of Detroit alone — and Detroit coughed up $150 million in direct subsidies to Chrysler last year to build them a new plant.

BROKE SCHOOLS obviously aren't the fault of the auto industry. The whole system of tax support for public schools has become so fragmented, perverted and inequitable, it would be unfair to blame the mess on a single industry.

Corporate executives are, after all, merely reacting to public policy and controlling costs.

Still, I don't think there is anyone who spent his life in this town that can honestly say things are being left for the next generation as good as we had it when we were kids.

Dan McCosh is the automotive editor of Popular Science.

You CAN fight the IRS

practically speaking

For most people, taking on the Internal Revenue Service is as far-fetched as stepping into the ring with Mike Tyson. But the Farmington Hills-based Michigan Association of CPAs points out that the IRS is not unbeatable.

If you believe that an examiner's findings are unfair or inaccurate, you have the right to appeal within the IRS or through the court system.

How you initiate an appeal depends, in part, on the type of audit you have undergone and the amount of tax liability in dispute.

For a field audit involving a tax dispute of $2,500 or more, you are generally required to file a written statement or protest.

BUT IN a correspondence or office audit, where the IRS asks you to submit documentation related to certain items on your tax return, you can usually begin an appeal simply by asking to meet with the examiner's supervisor. The supervisor will review the audit, discuss your concerns, and try to resolve the dispute.

If you cannot reach an agreement on this level, your next step is requesting an appeals conference within the IRS. In either case, if you plan to appeal an examiners's decision, make sure that you do not sign the agreement form that the IRS agent provides at the end of an audit.

The majority of tax disputes are resolved during appellate hearings. These proceedings are relatively informal, and you may even choose to represent yourself. But you may ask a certified public accountant or attorney to appear before the IRS on your behalf.

BECAUSE THE hearing is generally limited to one meeting, be prepared to present and discuss documentation for each and every item in dispute. The appeals officer will review the government's chances of winning in court and, in most cases, argue for a speedy resolution.

It's the appeals officer's job to settle the case out of court whenever possible. As a result, you may find that the appeals officer is more willing to negotiate than was the original auditor. During the hearing, expect a great deal of bargaining to occur and be prepared to make your own concessions.

If you cannot reach an agreement in the appeals office, you still have the right to appeal to the courts. But do not make this decision lightly.

BEFORE TAKING your case to court, put aside your hard feelings and re-examine your tax bill. You can argue the case on principle, but make sure you consider whether it makes sense to spend thousands of dollars to dispute a $1,000 tax bill.

On the other hand, your future tax bills may in fact be affected by the principle you fight to support.

If you decide to take the litigation route, there are two paths you can follow.

You can go directly to the United States Tax Court or your may appeal to the United States District Court or the Court of Claims. Don't assume that all roads lead to the same result.

IN 1987, taxpayers won complete or partial victories in 68.4 percent of the regular tax cases fought in Tax Court, but they won just 19.5 percent of those argued in the Disrict Court and 14.8 percent of those argued in the Court of Cliams.

The U.S. Tax Court is totally independent of the IRS. In the small tax claims division (cases involving $10,000 or less in disputed tax), you can attend with or without an adviser. But in cases involving disputes of more than $10,000, you will have to follow the same rules of procedure as those in effect in regular courts.

If you choose to go to Tax Court, you do not have to pay the disputed amount, as is the case if you choose to appeal in federal court. But be warned: Decisions made in the small tax claims division are final. Neither you nor the IRS can appeal.

IF YOU decide to take your appeal to a federal court, you must *first pay the amount in dispute plus* any interest and penalties owed. Next, you file a claim for a refund.

If the claim is rejected, you may bring your suit to the U.S. District court where you live or the Court of Claims that hears cases in Washington D.C. The proceedings in either case are formal, and you will most likely need an attorney.

Why then would you select the District Court over Tax Court? For one, you may choose this route if you believe your case would fare better before a jury. Tax Court hearings have no jury.

CPAs recommend that you make every attempt to settle your case early in the appeals process. But if you are convinced that your case is just, don't accept an unfair decision simply because your are afraid of getting into the ring with the IRS.

Get help organizing conference

focus: small business

Mary DiPaolo

Is it possible to plan, organize and run a conference or workshop on the first try?

Authors Lois B. Hart and J. Gordon Schleicher say no. They have published the "Conference and Workshop Planner's Manual" to help small-business owners and managers "create a workable system" for this type of decision making.

For many, planning a conference or workshop represents a one-time experience that may involve as few as 10 or as many as 1,000 participants.

Still, a growing number of independent businesses have taken advantage of opportunities to coordinate their own industry-related events on a periodic basis.

The Farmington Community Library has repeated its workshop series for 15 years, said Beverly Papai, director of the library.

"WE OFFER six business and management-related workshops each year, free of charge to participants. The feedback we've received from the local business community more than justifies our decision to continue with the series indefinitely."

The library rents its facilities to companies choosing to coordinate their own sessions.

The library charges a $10 minimum to non-profit organizations that conduct conference sessions; non-profit companies are charged a minimum of $60.

HART AND Schleicher advise would-be organizers to follow seven basic steps in developing the "how to's" of their company's events-planning system.

First, a needs analysis determines the purpose of the event from the participants' point of view. Next, the key people, groups or organizations whose support is necessary should be identified and the appropriate commitment made.

After assessing the needs analysis and any barriers affecting support, alternative strategies should be developed.

Once the best plan has been chosen from among available alternatives, the facilities, materials, equipment and personnel needed to carry out the plan should be identified and acquired.

Mary DiPaolo is the owner of MarkeTrends, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television series, "Chamber Perspectives."