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produce a tax loss to shelter other income.

Rental properties receive more a favorable tax treatment. For your vacation home to qualify as rental property, your personal use must not exceed the longer of 14 days or 10 percent of the total number of days your vacation home is rented.

You still allocate your expenses between business and personal use, just as you would if the home qualified as a residence. But, in this case if your rental property shows a loss, and your adjusted gross income is less than \$100,000, you may be able to deduct up to \$25,000 of rental losses a year against regular earnings such as salary. If your income exceeds \$10,000, the \$25,000 deduction for business losses starts to phase out. It disappears entirely when your income tops \$50,000.

To qualify for this deduction, you must actively manage the property. You're considered an active manager if you make management decisions such as approving new tenants or authorizing repairs.

Rental income can help you afford the vacation home you've always wanted, but, in most cases, you shouldn't count on rental revenue to carry the full cost of owning a vacation home.

Before you decide to buy, you should make a realistic assessment of the revenue you can expect to get from renting your home. Don't take the broker's

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or seller's word for it; do your own homework. Keep in mind that, in most areas, the prime rental period is limited to just a few months and, during those months, you'll have plenty of competition.

If you're buying your vacation home primarily as an investment, you'll want to be sure your purchase makes good financial sense. If you determine that the income from your rental property won't be enough to cover your carrying costs, you'll need to decide if the anticipated growth in your property's value will offset your losses, or else whether you might do better investing your money elsewhere.

Keep in mind that another investment may not provide you with the enjoyment you can derive from a vacation home.

Some taxpayers find that the rent they collect, when added to their personal enjoyment, makes the investment, worthwhile, if not profitable.

The Michigan Association of Certified Public Accountants is headquartered in Farmington Hills.

Redecorating with a brush

By POPULAR MECHANICS FOR AP SPECIAL FEATURES

When it's time for some interior or decorating in your home, think paint. Not only is interior painting an easy way to make a room look clean and fresh, it's relatively inexpensive, too. Thanks to the many fine companies that offer historical paint lines, old-house owners won't sacrifice authenticity when making this choice.

Of course, like everything else, paint and the way it's made has changed over the years - for the better. Some paint companies base their historical paint lines on documentary research. Usually this includes old color cards, product information and books. Some go a step further and actually base a historical paint color on physical research conducted on existing period buildings.

Layer after layer of old paint is carefully removed until the original coating is found. Samples are taken of this original coating and through laboratory analysis a reproduction color, based on its pigment, is duplicated in a modern paint.

You must remember, though, that our tastes today aren't necessarily the same as those of our ancestors. With this in mind, some companies have developed period colors to appeal to the modern eye. Unfortunately, many suppliers don't tell you when they've done this. So if you're striving for a museumlike reproduction in your home, you'll have to study the color cards carefully. If not, these slight adaptations shouldn't matter.

Looking at the way paint has changed through the ages, prior to 1700, whitewash was a popular interior paint used in the

colonies. An inexpensive and easily available mixture of slaked lime and water, it resembled liquid plaster. (You can still find whitewash paints in some historic lines). Easy to use, whitewash was a way to make things look clean and neat. One problem with whitewash, though, was its impermanence. It didn't last long and washed off easily with water.

Another early paint that goes back to the founding of this country is milk paint. Often preferred for interior work because it didn't have an unpleasant odor - like the also available oil-based paints - milk, as its name implies, was used as the water and binder.

No matter what type of paint you're talking about, if it was made before the onset of the commercial paint industry (around 1860-1870), it was hand-

mixed. So you didn't see the uniform consistency that we take for granted today - it had a different texture and was a bit streaky.

The coloring agents or pigments used in early paints were largely earth-based. For example, some reds came from iron oxide, yellows from ochre, black from lampblack, and blues from cobalt. Because of this you never got the same color twice. So a painter had to prepare a big enough batch of paint to complete the job on hand to ensure uniformity of color.

Many old-house restorers long for the rather uneven look of old, milk-painted walls. We know of one company that still makes milk paint the old-fashioned way, using earth-based pigments for a truly authentic look.

Track lighting helps accent interests

Dreary weather outside does not mean it has to be gloomy indoors. One of the best ways to create a cheery environment is with appropriate direct and indirect lighting.

Like other design considerations, light influences the emotional response of the people who are in the room. Look around the rooms in your home and check traffic patterns. Is a functional space too dimly lit? Is an area meant for relaxing too bright? Fixtures should provide needed light as well as enhance basic architectural and decorative elements in the room.

"Most people this time of year are looking to change their lighting, particularly because it's getting

darker so much earlier," says Scott Webb, an associate in the Home Depot electrical department. "We are also finding more and more people who are looking at track lighting because it's versatile and relatively easy to install."

Track lighting helps to accent points of interest, such as artwork or sculptures. Mini tracks are available with 40-watt reflector bulbs to show off objects such as a small wall hanging or a curio shelf.

There are a variety of globe styles and finishes available in track lighting. The rounded-back globe, which resembles a softball in shape and size, is one of the most popular, says Webb. For a

more contemporary look, you'll want to use the step cylinder, which is more tapered toward the back. The energy conscious home owner may want to look at low-voltage lighting, called the "gimbal ring" style, which is more expensive to purchase than the other models, but saves money in the long run.

Most fixtures are available in black, white and polished brass, although Webb says white is the more popular because it seems to fit into most surroundings.

If the do-it-yourselfer is familiar with the principles of electricity, track lighting is not difficult to install, particularly if the existing fixture is being replaced. Attaching the wires is

easy if you know which colors to hook up to which.

There are two basic types of track lighting. The first kind has a power cord that is simply plugged into a receptacle. It is fairly easy to install, but the receptacle must be close to the track, otherwise an extension cord is needed.

The second type of track lighting, which looks more professional, must be wired directly into a circuit box and is fairly easy to install if you use the electrical box from the existing fixture you are replacing.

If you are installing lighting in a new area, you will have to add an electrical box in the wall or ceiling and run cable to it.

Spare plants are your disaster insurance

By JAMES E. WALTERS

(AP) - A few spare plants are good insurance against disasters, even if they are never used. Without such precautions the general law is: if something can go wrong, it will.

Nothing expensive or elaborate is required.

Often an adequate reserve will be available by simply not planting everything at once in the landscape and keeping one or two in a sheltered container.

If nothing happens, the extras will provide a supplemental display.

But if the neighbor's dog digs up the middle of the flower bed or if the center shrub of a row dies despite your best efforts, the spares will be available for a scarcely noticeable fix.

When I garden, there are a dozen each of red, purple, white and yellow mums ready for beds designed to hold 10 plants of the same color.

The theory for a massed display of same-colored flowers is that it is visually more pleasing than a kaleidoscope since too many colors produce a disorganized picture, just as do a few of this plant and a few of that one.

While the mums seem perfect, the theory for two "extra" plants is that if something happens to the originals, they should provide enough insurance to maintain the planting scheme. All will be about the same size.

If nothing happens to the originals, the extras can be grown in containers for casual displays.

Because of the expense, such

insurance is not always feasible for every plant installed in the landscape.

But it still is a good precaution if you plan, say, a hedge of same-size greenery or a grouping of same-type trees.

Several years ago I decided to obscure a cement-block wall with an informal hedge of purple-flowering Texas Ranger (*Louophyllum frutescens*). Six out of seven took hold beautifully. The laggard seemingly had an identical start and care. Naturally, it was the middle one.

I checked things like drainage, watering and insects and even considered genetic differences. It turned out to be our kitten.

But the potential problem made for an easy decision when the opposite wall was scheduled

for similar treatment a year or so later. I paid for an "extra" Texas Ranger as a backup. It wasn't needed, naturally. But the peace of mind was enormous.

A casual look at your local nursery will show that most plants can flourish for some time in containers. This will vary by type, of course, and will be more true of shrubs and trees than flowers.

But, when buying, say, several six-packs of flowers for a quick display, it will take only one small disaster to make you happy about not planting all 12 the first time.

As for masses of colors, experiment first on a small scale. Adjustments are simplified by using containers of flowers which can be moved easily to seek a

desired effect before you make a permanent installation.

A color wheel helps see colors as warm, cool, complementary, harmonious and contrasting, creating the mood you desire.

On the wheel, the primary colors of yellow, blue and red are spaced evenly and appear in triangles opposite each other. The secondary colors develop from combining the primary ones: green from yellow and blue; orange, from yellow and red; purple, from blue and red.

The "warm" colors make up half of the wheel and are arranged: red, red-orange, orange, yellow-orange, yellow and yellow-green. The "cool" colors are arranged: green, blue-green, blue, blue-purple, purple and red-purple, with red-purple adjacent to red.

Direct opposites on the color wheel, such as blue to orange or red to green, can be complementary if placed side-by-side. But go easy. Harmonious colors are adjacent on the color wheel and blend into each other. White provides a transition between color combinations that might not look just right side by side. Often, neutral tones will tie everything together; the choice.

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