

Thursday, October 21, 1982 O&E

finances and you
Sid Mittra

Be on guard against those shaky shelters

Second of two parts.

THIS IS THE time of year when people become intrigued by numerous tax shelters that promise substantial reduction, and even elimination, of their tax liability. But it is not too early to be aware of tax frauds.

On Sept. 28, IRS Commissioner Roscoe Egger Jr. reported nearly 82,000 suspicious tax returns had been audited this year. These audits uncovered \$824 million in underpaid taxes through what the IRS considers illegal accounting maneuvers on shelters. Billions more in losses are likely to show up in audits of 281,000 other returns involving suspect investments.

The most common tax shelters relate to real estate and oil and gas programs which are structured as either limited partnerships or private placements.

Other, more exotic, tax shelters include cattle, movies, tugboats, equipment leasing, phonograph records and railroad tax cars.

The promoters argue that all tax shelters help economic development and therefore deserve tax breaks. The IRS complains that many shelters amount to criminal tax evasion.

HERE ARE some examples:

- In one shelter involving production of phonograph records, the value of master recordings was so inflated that investors paid no current taxes and applied for refunds of past taxes.
- In a cattle deal, the promoters used fictitious feeding expenses and loans to offer a 5-to-1 write-off to investors.
- In a real estate shelter, the upfront expenses were so inflated that investors were promised \$3 in tax deductions for every \$1 invested.

TO ADDRESS many of these problem areas, The Observer & Eccentric Newspapers and I will present another in a series of seminars designed specifically for professionals.

This free seminar will center around the benefits and pitfalls of investing in tax shelters.

The time is 8:10 p.m. Nov. 3 at the MSU Management Center, Crooks and Square Lake roads, in Troy.

Registration is required by calling 643-8888.

Sid Mittra is president of Coordinated Financial Planning in Troy and a professor of management at Oakland University in Rochester.

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CASH MANAGEMENT is the topic of the today's meeting of the Oakland County Chapter of the National Association of Accountants at the Kingsley Inn in Bloomfield Hills. Several speakers are planned starting at 8:15 p.m. followed by cocktails at 8:15 and dinner at 7. The closing speaker will begin at 8 p.m. For more details, call Pat Petro at 663-0034.

JACQUELINE Lichty, director of Phoenix Services, a Troy consulting firm, presents a half-day seminar for job seekers 9 a.m. to 1 p.m. at the Mercy College Conference Center Saturday. Fee is \$20. To register, call 689-6242.

THE WOMEN'S Advertising Club of Detroit conducts its annual career fair Monday at the Sheraton Southfield Hotel, Nine Mile Road near the Lodge Freeway. Representatives from 14 major

job areas in the advertising and communications field will be on hand. The evening begins at 5:30 p.m. with cash bar and registration. Dinner is at 6:30 p.m. followed by Ford Motor Co. personnel planning manager E. Bill Pollock speaking on successful self marketing. Fee is \$11. Reservations required by calling Rita Walby at 775-3231 before Friday.

MAI BASIC Four Information Systems Division hosts a free Computer Solutions Expo '82 Oct. 26-28 for executives of large and small businesses at its local branch, 4000 Town Center in Southfield. For more details, call 354-9000.

PATRICIA Schlimmer, a representative of Simtec of Birmingham, will conduct a workshop on word processing Saturday at the 21st Annual Writer's Conference co-sponsored by the Detroit Women

Writers and the Division of Continuing Education at Oakland University in Rochester. For more details, call 377-3120.

CPA DAVE Sidaway will speak on emerging trends in financial reporting at the American Society of Women Accountants dinner meeting Tuesday, Oct. 26 at Mauchus Sly Fox, 725 Hunter in Birmingham. The event begins with social hour at 5:30 p.m. and dinner at 6:30 p.m. Sidaway is an accounting professor at Oakland University. For information and reservations, call Shirley Frieden at 281-5511.

marketplace

THE DEPOSITORY, the first privately owned safe deposit and security vault company licensed in Michigan, will open at 13 Mile and Telegraph roads in Bingham Farms. It will provide security services through 4,000 safe deposit boxes and vault storage areas for residential and commercial clients.

FIVE LOCAL firms have joined forces to construct a new regional shopping mall in Battle Creek, according to Forbes/Cohen Properties of Farmington Hills. James P. Ryan Associates of Southfield will act as architects and planners; Charles N. Agree Inc. of Farmington Hills also helped in the design. John Grisman and Associates of Farmington Hills are the landscape architects and site planners; and Reid, Cool & Michalski Inc. of Southfield are the traffic and transportation engineers.

HELGA Nisonger was named Realtor of the Year and Douglas Woodward Realtor Associate of

the Year by the Birmingham-Bloomfield Board of Realtors based on their participation in the board and the accomplishments in the field and community. Nisonger is manager of the Max Brook office in Birmingham and served as president of the board in 1981. Woodward works for Chamberlain Real Estate in the Bloomfield Hills office and has worked on several board committees.

DURING September, the Birmingham-Bloomfield Board of Realtors reported 109 residential sales on 348 listings for a total dollar volume of \$14.7 million with a \$134,862 average home price. That compares to September 1981 with 100 sales on 399 listings for a volume of \$13 million. Year-to-date figures show 899 sales for a volume of \$117.5 million and average prices around \$130,700. Land contracts at 32 and 36 percent respectively topped the list of financing instruments. Mortgage assumptions pegged in at 28 percent and new mortgages at 25 percent.

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