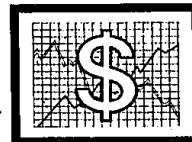


Business

Barry Jensen editor/591-2300



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Thursday, December 8, 1984 O&E

Anticipate changes before investing in tax shelters

By Sid Mittra and Dean Calvert
Special writers

Part IV

The Tax Reform act of 1984 is so complicated that it takes a good lawyer and an accountant to untangle the law. It especially affects real estate investment by establishing a set of complex rules.

What's even more annoying is the fact that there is no guarantee that the rules will stay the same forever. In fact, there is a strong likelihood of continued change.

A question often asked by a prospective investor is: "How can I make a rational decision when any deal I go into eventually may be taxed under different rates and laws than that exist today?"

While the possibility of such an outcome does exist, in its infinite wisdom the Congress "generally" makes the new law effective at some future date. In technical jargon, the old laws are "grandfathered," or left untouched.

So here is a sound advice: If you intend to invest in property—whether it is an outright purchase or through a partnership interest—get a competent financial planner, a tax attorney, or a CPA who is well versed in real estate investment and is prepared to do a lot of "what if" planning for you.



finances and you

Sid Mittra

THE NEW TAX law clearly makes January through April the best months of the year to do your investing. For instance, aggressive syndicators used to take big deductions for interest that had accrued but that would not actually be paid until the underlying mortgage was paid off.

They would also charge investors heavy fees for future costs to the partnership. Investors did not object, of course, because they could write off all the expenses—many of them in the first year of the investment.

The new tax bill changes the treatment of "accrued interest" and the loading of front-end fees by disallowing deductions before the out-of-pocket expenses are actually paid.

This required matching of expenses

deducted to payments made reduces the first-year tax shelter, and it especially reduces the attraction of year-end shelter deals, where accrued expenses have been charged to inflate the last minute write-off.

Now, the best real estate investments would be made early in the year to take advantage of a full-year's expenses.

THE NEW TAX LAW requires that any partnership offering a loss-vs.-investment ratio greater than 2-1 for any of the first five years must be registered with the IRS.

The Treasury will then issue a tax-shelter identifying number to all registered tax shelters. The shelter's general partner must furnish the shelter's ID number to investors, who in turn must include it on their tax returns.

server & Eccentric Newspapers and the Coordinated Financial Planning staff will conduct a seminar 7-10 p.m. Tuesday, Jan. 8, at the Kingsley Inn, 1475 N. Woodward Ave., Bloomfield Hills. This seminar will cover three major areas: 1. "Strategic planning," comprehensive and retirement planning; 2. "Tactical planning," insurance, taxes, education, wills; 3. "Product planning," mutual funds, stocks and bonds, real estate and oil and gas tax shelters. An out-of-town investment specialist will discuss a specific tax shelter.

The seminar is free, but registration is required. For more details, call 643-8888.

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

EDUCATIONAL SEMINAR: The Ob-

datebook

MEN'S NIGHT

Thursday, Dec. 6 — Men's Night at Twelve Oaks Mall runs 7-9 p.m. the mall, in Novi. For more information, call 348-9400.

RESIDENTIAL REAL ESTATE

Thursday, Dec. 6 — "Opportunity and Investment in Residential Real Estate" seminar begins at 7:30 p.m. in Novi. Information: 540-0511. Sponsor: Residential Property Management Corp.

TECHNICAL WRITING

Friday, Dec. 7 — Technical writing program will be offered from 8:45 a.m. to 12:15 p.m. in Troy. Fee: \$40. Information: 689-8282, Ext. 258. Sponsor: Walsh College.

MEET BUSINESS PEOPLE

Friday, Dec. 7 — After-work office party will be held 4:30-8 p.m. in Farmington Hills. Free admission to all professionals who would like to make contacts. Company videos will be shown. Information: 247-7444.

S CORPORATIONS

Friday, Dec. 7 — "S Corporations After the Subchapter S Revision Act" will be offered from 8:45 a.m. to 12:15 p.m. in Troy. Fee: \$40. Information: 689-8282, Ext. 258. Sponsor: Walsh College.

TAX PLANNING FOR PROS

Friday, Dec. 7 — "Year-end Tax Planning for Professionals and Their Clients" program will be offered 1-4 p.m. in Troy. Fee: \$40. Information: 689-8282, Ext. 258. Sponsor: Walsh College.

ADVANCED LOTUS

Friday-Saturday, Dec. 7-8 — Computer series offered in Troy. Fee: \$135. Information: 689-8282, Ext. 258. Sponsor: Walsh College of Accountancy.

INDEPENDENT ACCOUNTANTS

Saturday, Dec. 8 — Independent Accountants Association of Michigan holiday party begins at 6:30 p.m. Information: Gerald R. Johnson, 892-3560.

ADVANCED LOTUS

Monday-Wednesday, Dec. 10-12 — Computer series offered 8:30 a.m. to noon in Troy. Fee: \$175.

Information: 689-8282, Ext. 258. Sponsor: Walsh College of Accountancy.

BUILD PUBLIC RELATIONS

Tuesday, Dec. 11 — "Your Chance to Shine" presented at Council on Small Enterprise seminar 8-10 a.m. in Bloomfield Township. Fee: \$5 for members, \$10 for non-members, including continental breakfast. Information: 335-6148. Sponsor: Oakland County Chamber of Commerce.

ENROLLED AGENTS

Tuesday, Dec. 11 — National Association of Enrolled Agents meets at 6 p.m. in Bloomfield Hills. Information: 977-6950.

AUTO COMPUTER GRAPHICS

Tuesday-Thursday, Dec. 11-13 — Auto Computer Graphics conference and exposition runs 8 a.m. to 5 p.m. all three days in Dearborn. Information: 832-5400. Sponsor: Engineering Society of Detroit.

REAL ESTATE APPRAISERS

Wednesday, Dec. 12 — American Institute of Real Estate Appraisers meets for lunch in Novi. Information: 573-6987.

TAX PANIC SEMINAR

Thursday, Dec. 13 — A "Tax Panic Time" seminar will begin at 8:30 a.m. in Southfield. Seminar fee: \$50. Information: Susan Loren at 644-9200. Sponsor: Equitable Financial Services.

FEDERAL PROCUREMENT

Thursday-Friday, Dec. 13-14 — Federal Procurement Education Forum for businesses providing support services begins at 8:30 a.m. in Detroit. Fee: \$75. Information: Lillian E. Randolph, 964-4000. Sponsor: Greater Detroit Chamber of Commerce.

PERSONAL COMPUTER INTRO

Monday, Dec. 17 — Two-day seminar introduces executives to database, spreadsheet and word processing applications. Offered from 8:15 a.m. to 5 p.m. in Detroit. Fee: \$400. Registration: Mary Jo O'Connor, 448-0100. Sponsor: Deloitte Haskins & Sells.

LOTUS 1-2-3

Wednesday, Dec. 19FR — One-day seminar for

executives teaches the basics of LOTUS 1-2-3. Offered from 8:15 a.m. to 5 p.m. in Detroit. Fee: \$250. Registration: Mary Jo O'Connor, 448-0100. Sponsor: Deloitte Haskins & Sells.

DATABASE MANAGEMENT

Thursday, Dec. 20 — One-day seminar for executives teaches the basics of dBASEII and PPS-File from 8:15 a.m. to 5 p.m. in Detroit. Fee: \$250. Registration: Mary Jo O'Connor, 448-0100. Sponsor: Deloitte Haskins & Sells.

WELL-BALANCED LIFE

Tuesday, Jan. 15 — "Balancing Your Lifestyle" presented at Council on Small Enterprise seminar 8-10 a.m. in Bloomfield Township. Fee: \$5 for members, \$10 for non-members, including continental breakfast. Information: 335-6148. Sponsor: Oakland County Chamber of Commerce.

WOMEN IN INFO PROCESSING

Tuesday, Jan. 17 — Metropolitan Detroit Forum of Women in Information Processing meets in Southfield. Information: Cheryl Watkins, 294-0252.

MAKE THE BEST DEAL

Tuesday, Feb. 19 — "Dealing with Lenders" presented at Council on Small Enterprise seminar 8-10 a.m. in Bloomfield Township. Fee: \$5 for members, \$10 for non-members, including continental breakfast. Reservations: 335-6148. Sponsor: Oakland County Chamber of Commerce.

MACHINE VISION

Thursday, March 26 — Applied Machine Vision Conference and Exposition held in Cobo Hall in Detroit. Sponsors: Society of Manufacturing Engineers, Machine Vision Group of SME.

Submit information to Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150. All information must be received in writing by Monday for publication the following Thursday.

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to Make Your Reservations

marketplace

Merit Systems Inc., a data processing professional services company, has acquired property in Troy to erect an office building. The 32,000-square-foot lot is at I-75 and Crooks Road.

Grant & Millman, P.C., of Farmington Hills has been formed by Barry M. Grant and Lawrence I. Millman, both certified public accountants. The address is 30140 Orchard Lake Road, Suite 300. The new telephone number is 628-5252.

Edgar, Payter & Co. has acquired the accounting firm of Isenberg, Edgar & Thomson of Southfield.

The Birmingham branch office of the Metropolitan Life Insurance Co. has moved to 571 E. Big Beaver Road in Troy. The telephone number is 351-4200.

Groveralls Inc. of West Bloomfield is offering doll covers. Groveralls' main business is children's overalls with a snap featuring allowing the overalls to "grow" as the child grows. The telephone number is 851-8008.

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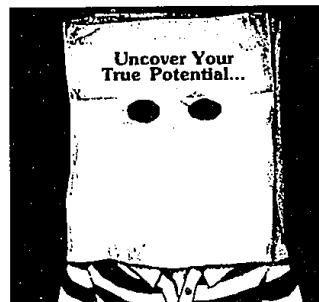
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