

Margaret O'Brien, Editor 248-901-2568 on the web: http://www.oconline.com

**MORE THAN MONEY**



SID MITRA, Ph.D.

## Education tax incentives in Relief Act

*Editor's note: This is the third article in a five-part series on the Taxpayer Relief Act.*

Last week we discussed several education tax incentives provided by the Taxpayer Relief Act. This column presents additional incentives offered under the Act.

### Prepaid tuition plans

Several states and private colleges offer prepaid tuition programs. Typically, parents pay money into these programs to fund their children's future college education. State-operated programs are tax-exempt if certain requirements are met. The amount distributed from a program to pay qualified education expenses is not taxable to the student.

### Loan interest deduction

The tax code does not generally allow deductions from non-business interest expenses, other than a qualified mortgage interest deduction and a limited investment-related interest expense deduction. The 1997 Tax Law creates a new category of interest deduction. Effective for payments of interest due and paid after 1997, a limited amount of student loan interest is deductible in computing adjusted gross income. The deduction is introduced in steps, from \$1,000 in 1998 to \$2,500 in 2001. The deduction is phased out for single filers with AGI from \$40,000 to \$55,000 and joint filers with AGI from \$60,000 to \$75,000. The new law retroactively extends the provision of employer-sponsored educational assistance to taxable years beginning after December 31, 1996, for expenses paid with respect to courses beginning on or before May 31, 2000.

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### Cancellation of certain loans

In general, gross income does not include any amount from the forgiveness of a student loan provided forgiveness is contingent on the student's working in certain professions for specified employers (e.g., teaching in certain areas). The new law extends this provision to include loans made by certain tax-exempt organizations.

### New education provisions

The Taxpayer Relief Act introduced these new education IRA provisions:

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Sid Mitra, Ph.D., CFP, is professor emeritus of finance at Oakland University, and owner of Mitra, Finnigan & Associates, a Rochester Hills financial consulting firm. This column was critically reviewed by Professor Jerold Grossman of OU. You can e-mail questions or comments to Sid Mitra at smitra@oconline.com.

## When nature calls, company picks up

By BARR PERT TEMPLTON  
Special Writer

We do the job after Fido does his. The words in bold black type staring back from Lauren Jones' business card seem to say it all. The company name doesn't leave much to the imagination either.

"Pooper Scoopers," a service that caters to the owners of four-legged critters across Oakland and Macomb counties, was founded by Jones last March.

Being the clean-up crew for canines who have heeded nature's call is an idea Jones got after watching an evening news story about a similar business on the West Coast.

"I thought it seemed like a different idea and the service is taking care of something people really hate to have to do," said Jones, who immediately began researching the possibilities.

The first thing she did was visit a couple of pet stores to see what type of equipment would be easiest to work with. Once she had selected the best scooper for the job she picked up a box of tall garbage bags and a pail and was nearly ready to start her new business.

The next step was to start building a client base. Jones printed some pamphlets offering her service to the community and places stacks of them in local pet shops.

The price for her service depends on the number of dogs, their size and how often the customer would like her to visit their yards. Generally she charges in the neighborhood of \$10 for one visit to a home with one medium to large dog.

"About 80 percent of my customers just want it done once a week during the winter and maybe twice a week between May and October," Jones said.

She usually spends no more than 30 minutes at one location and generally the task is complete in just 15 to 20 minutes. Beyond the travel time and cost of garbage bags, which Jones leaves in the client's trash receptacle, her only other expense is for baby wipes.

"Well this doesn't sound very nice,



Pooper Scoopers: Lauren Jones, son Michael and their family pet are taking their unique yard service on the road all over Oakland and Macomb counties.

but I take tubs of wipes with me so I clean the scoop in between pick-ups because it can be pretty bad at times," Jones explained.

Speaking of "bad" Jones recalled that the first client she ever serviced remains her most difficult assignment to date.

"They needed a whole Spring clean-up and I had three big bag fulls," Jones said. "I was there for over an hour so I still say my first job was the worst."

Although 99 percent of the time Jones' visits go smoothly she does encounter the occasional pooch who's unhappy to see his or her territory being invaded. Most of the time

the owners no Jones is coming by so they lock their pooches up.

All in all, Jones figures she's providing a service many people dread and can make the same amount of money working ten hours a week as she would making minimum wage at a 25 hour part-time job. She also avoids child care costs because she can take her three-year-old son, Michael with her.

That positive attitude is starting to pay off. Today Jones has a client list of nearly two dozen homes and the task includes pick-ups for everything from a Royal Oak client with a new puppy to a Troy household that has two huge dogs.

Despite the nature of her chosen profession Jones doesn't have any regrets about her entrepreneurial idea.

While she does admit that in the beginning she wasn't that comfortable telling people she was making a living with a pooper scooper she's fine about it now and hopes to expand her services.

"Now I tell everyone," smiled Jones. "And as far as my family and friends go my husband thought it was kind of a neat idea right from the start. He was happy that I wanted to do something to help out."

For more information about Pooper Scoopers call Jones at (248)389-3950.

## Troy company, auto icons in joint venture

Two former leaders of Detroit's auto industry are joining forces to accelerate the commercialization of light electric vehicles for personal transportation.

Ex-Chrysler Corp. chairman Leo Iacocca and ex-General Motors chairman Robert C. Stempel announced plans to work together last week in the rapidly expanding electric vehicle market.

Associated with many firms in the auto industry, Iacocca and Stempel are teaming with Ovshinsky to bring practical, affordable, pollution-free personal transportation to the public.

Stanford Ovshinsky, president and CEO, and inventor of the advanced nickel metal-hydrate (NiMH) battery.

ECD's subsidiary, Ovonic Battery Co. in Troy, has developed these batteries for electric and hybrid electric vehicles.

Under the new agreement, Iacocca will serve as senior advisor to ECD, and Stempel as senior advisor to EVG.

Associated with many firms in the auto industry, Iacocca and Stempel are teaming with Ovshinsky to bring practical, affordable, pollution-free personal transportation to the public.

"We are forming this alliance because we believe there is significant potential for lightweight electric vehicles to become major contributors to the future of transportation worldwide," Iacocca said. "Our new partner has impressive credentials and experience in advanced batteries, and has demonstrated great scientific skills in this field."

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## MJC offers business seminar about Latin America

The Michigan Jobs Commission is hosting a seminar on doing business in Latin America.

The conference will be Wednesday, Feb. 18, from 7:30 a.m. until 3 p.m. at the Clarion Hotel Atrium and Conference Center in Troy, Mich.

The Jobs Commission will focus on the automotive, plastics and machine tools markets in Brazil, Chile, Argentina and Mexico.

The speakers will discuss information on the geo-political and economic climates, laws, finance, insurance and overall business strategies for success-

### LATIN AMERICA

fully trading in those countries. There is a \$55 charge, which includes lunch and a continental breakfast. R reservations are required, and can be made by phone, 617-373-9808, or on the Internet (www.mjc.state.mi.us).

Business people who have been involved in commerce in Latin America will be the principal speakers.

"With some of the foremost international companies centered in Michigan, it is natural that the state would have

developed a lot of expertise in doing business abroad," said Doug Rothwell, Jobs Commission CEO and Department Director.

"A significant aspect of that expertise is in developing contacts in emerging markets."

It is such contacts we are putting to work in this seminar and in the entire series of seminars we are scheduling," he said.

In addition to Latin America, the Jobs Commission will hold seminars on doing business in Central Europe, South Africa, Southeast Asia and China.

## '98 recession chances low, Comerica says

The Recession Watch Index compiled by Comerica Bank, which forecasts the likelihood of a national recession occurring within the next 12 months, registered a 28 percent probability in January, a five-point increase from December.

The index is predicting the seven-year-old economic expansion will continue through 1998.

"The national economy continues to show unprecedented stability, with no end in sight," said Comerica economist William T. Wilson, Ph.D.

The index last predicted a recession in July 1989, and a recession followed in 1990-91.

Comerica's Recession Watch index is designed to forecast an economic slowdown or recession well in advance, using a weighted average of three leading indicators: spread in the yield curve, adjusted bank reserve growth, and the Commerce Department's Index of Leading Indicators.

### This column highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community. Send a brief biographical summary - including the towns of residency and employment and a photo, if desired, to: Business Milestones, O&E, 805 E. Maple, Birmingham, MI 48009. Our fax number is (248) 644-1314.

**David Bonello** has been hired as a performance consultant at Triad Performance Technologies in Farmington Hills. He has been developing performance improvement initiatives for more than 10 years in the financial services industry.

**Nada Bals of Dearborn Heights** has been named a project director at Pinnacle Research Consulting in Troy.

**Kate Bullach of Macomb** has joined John Bailey & Associates in Troy as a public relations account coordinator. She will write press releases and Bullach other materials on behalf of agency clients.

**Larry Casselman of Beverly Hills** has been promoted to vice president at Franklin Bank in Southfield. He manages the resolution of dis-

puted and commercial loans and the loan collection

process. He has 21 years in the banking industry.

**Douglas Dickie of St. Clair Shores** has been promoted to assistant vice president at Franklin Bank in Southfield. As a loan prevention investigator and security officer, Dickie investigates frauds, forgeries, embezzlements and robberies, disseminates information about losses and helps resolve ban-wide problems.

**David Donzal of Beverly Hills** has joined the law firm of Fink Zausmer which has offices in

### BUSINESS MILESTONES

**Donzal** Farmington Hills has been named manager of planning, marketing and business development for the Automotive & Transportation Center at ERIM International in Ann Arbor. He had been manager of mobile communications at Ford Motor since 1993.

**Robert Eckert of Plymouth** has been named chief operating officer for Leonard Archives in Detroit. He previously served as vice president and CFO. He will have full management responsibility for the finance, operations and sales groups throughout the company.

**Kristyn Gornoy Drury of Farmdale** has been promoted to assistant vice president. She manages the small business loan portfolio for the loan administration department. She has been with Franklin since 1992.

**Cheryl Kenny of Farmington Hills** has been promoted to vice president at Franklin Bank in Southfield. As a residential lending production manager, she is responsible for overall department management. She joined Franklin in 1993.

**Karen King of Madison Heights** has been promoted to vice president at Franklin Bank in Southfield. As a marketing manager, she is responsible for administration of the advertising budget, for monitoring competitors and

**Don Duncan of Bloomfield Hills** has been named manager of planning, marketing and business development for the Automotive & Transportation Center at ERIM International in Ann Arbor. He had been manager of mobile communications at Ford Motor since 1993.

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