

## MORE THAN MONEY



SID MITTRA, Ph.D.

## Here are some tax breaks you always wanted

Editor's note: This is the first article in a eight-part series on tax planning.

There are many ways in which you can minimize your tax burden. These myriad tax reduction techniques can be conveniently grouped into five Ds: Deduction, Deferral, Deferment, Deflection and Diminution.

### Forgotten deductions

Many taxpayers assume, somewhat naively, that since there are 7.5 percent and 2 percent floors imposed on medical and miscellaneous expenses, respectively, they cannot possibly pass the threshold at which these expenses become deductible. This is usually not a good assumption.

For instance, medical expenses not only include doctor and hospital bills, but also medically required home improvements, special schooling for a handicapped child, travel for medical care, eyeglasses, cosmetic surgery and health insurance premiums.

Another tax planning strategy is to group medical expenses in alternate years to make them deductible. For instance, you may opt to have elective surgery or braces for the kids all in one year so health care expenses will be high.

Like medical deductions, miscellaneous deductions also offer valuable tax reduction strategies.

For instance, cost of membership dues, financial planning, including investment-related expenses, accounting fees and unreimbursed business expenses are examples of often overlooked deductible miscellaneous expenses.

Other itemized deductions often ignored by taxpayers involve charitable contributions and state and local income taxes.

For instance, people who use their car in charity work can deduct 12 per mile (14 in 1998) plus parking and tolls.

Also deductible are expenses such as a scoutmaster's uniform and phone calls and travel expenses for charity work.

A ticket to a fund raiser is deductible to the extent that it price exceeds normal admission cost. By not accepting the ticket or returning it for resale, a taxpayer can deduct the entire cost.

In the area of state income taxes, you can count not only amounts with-

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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, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (248) 644-1314.

**Dewayne Alexander** of Detroit has been named as account assistant at Farmington Hills-based Marx Layne & Company. He will serve clients in retail, environmental services and restaurants. He previously worked for Margo E. Williams and Associates in Detroit.

**Paul Anderson** of Livonia has been named assistant vice president in the marketing department of Willis Corroon Corporation based in Southfield. Anderson joined the Willis Corroon Corporation in 1995.

**Ron Blaisdell** of Redford Township has been named vice president and interactive technology specialist at Ross Roy Communications in Bloomfield Hills. He will manage the development of interactive and internet infrastructure and initiatives for all Chrysler brand products. He previously worked for Wood-DeMason Ltd. in Flat Rock.

**Alan Blase** of Southfield has been promoted to special ser-

## Yellow Pages Southfield firm taps large Jewish market

BY RENA FULKA  
SPECIAL WRITER

It's been only two weeks since the Jewish American Yellow Pages began showing up in mailboxes in the tri-county area and already publishing partners Michael Lezell and Stuart Kay are feeling the impact.

"Our phone has been ringing off the hook," said Lezell, whose Southfield office is mailing free copies to 35,000 Jewish homes, businesses, synagogues and organizations. "There are approximately 100,000 Jews in the Metro Detroit area and we thought the time had come to reach those residents."

Unlike its generic counterparts, the ethnic directory offers a scattering of informational Judaic tidbits along with listings of businesses anxious to interact with the Jewish community. It also contains a special Judaism section, which includes the Jewish National Anthem, a Hebrew glossary, a holiday calendar, a candle-lighting chart for Sabbath and holidays, recipes, internet sites and common Hebrew phrases.

"We knew it had to be more than a listing. There had to be value to the book," said Kay, who hopes users will keep the guide to products and services in a handy place in the home.

The digest-sized publication also has its own Identity Info-Line, which provides answers to often-asked questions on Jewish customs, holidays and traditions. Users can access the telephone line 24 hours a day by dialing (248) 357-5200 and entering the appropriate four-digit code to hear a recorded message. During its first week of operation, the Info-Line attracted 500 calls. "People can refresh themselves, holiday by holiday. It's very easy to brush up," said Lezell, who derived most of the information from "The Jewish Book of Why." Business owners wanting to target Jewish consumers can

purchase an annual listing in the directory for \$240.

Yearly advertisements run from \$246 to \$2,250. An added bonus is worldwide exposure, since the directory can be viewed in its entirety via the internet.

The site is updated weekly to include new advertisers that have signed on for a spot in the second edition due out in January of 1999.

"Our feeling is that we'll end up having more advertisers sign up early for the opportunity to get on the internet," said Lezell, a native of Northwest Detroit and owner of Exclusive Publications. "We think they'll get terrific results. People are reading it and we think they will patronize the businesses."

The concept for Metro Detroit's first Jewish Yellow Pages was developed last year when Kay presented it to Lezell after stumbling across similar directories aimed at other groups. To set the idea in motion, Lezell and Kay merged their respective publishing and advertising backgrounds and launched Identity Publishing Company, Inc. last April.

As the guide was being structured, the fledgling company, which operates from 24567 Northwestern Highway, ran a World Wide Web page announcing the coming of the first edition. Among the out-of-staters responding during the six-month run were business owners from a tie shop in Oregon, a kosher hotel in France and a travel agency in Tel Aviv.

"Some people want to reach a defined market," explained Kay, an Oak Park native and president of Even Exchange. "We're offering 100,000 residents a very specific niche."

The entrepreneurs painstakingly put their exclusive mailing list together from nine sources, including syna-



STAFF PHOTO BY LAWRENCE B. MCKEE

**New market: Michael Lezell and Stuart Kay are reaching out to the more than 100,000 Jews in the Metro Detroit area with the Jewish American Yellow Pages.**

gogues and Jewish charity groups and organizations. They also appealed to Jewish clients prior to the publication's first printing through easily attainable mailing cards - 2,000 of which were returned. The Circulation Verification Council audited the directory.

Lezell and Kay plan to add new and exciting elements to their profit-making book every year.

"We're very pleased with the first edition," added Lezell. "We think nothing but growth is on the horizon with this."

A copy of the Jewish American Yellow Pages is available for a \$2 postage and handling fee by calling (248) 353-7979. The entire directory can be accessed via the internet at [ja-yellow-pages.com](http://ja-yellow-pages.com).

## Kmart shows 43 percent gain for 1997

Troy-based Kmart Corporation last week reported net income from continuing operations of \$249 million - a 43 percent increase - for the year ended Jan. 28, 1998, including a non-recurring fourth quarter charge of \$114 million from a voluntary early retirement program.

"With our seventh consecutive quarter of increased earnings per share, the turnaround at Kmart continues solidly on track," said Floyd Hall, Chairman, President and CEO. "Despite difficul-

ties with women's apparel merchandise during the year, Kmart made significant progress on all fronts. Sales productivity increased approximately 5 percent to \$211 per square foot and operating expenses were reduced by \$138 million over the prior year."

"It's clear that our focus on strengthening our merchandise offering, particularly Martha Stewart Everyday home fashions, Sesame Street children's apparel, Route 66, BenchTop and American Fare is paying dividends."

We are also seeing encouraging customer response to improvements in merchandise in our Jaclyn Smith and Kathy Ireland lines, indicating that we are rebuilding our softlines sales appeal," Hall said.

"While we are satisfied with our financial gains, we are most encouraged by the momentum we have established through our product line enhancements and improved shopping environment during 1997," Hall continued.

## Finalists named for annual Franklin awards

Judges for the fourth annual Franklin Award, sponsored by Southfield-based Franklin Bank, have selected the nine finalists for this year's competition.

The Franklin Award is Michigan's only award that exclusively honors the State's outstanding family owned businesses.

Finalists are chosen in three categories based on number of employees.

Finalists in category one (up to 25 employees) are Artpack Services, Inc. of Farmington Hills, Aluminum Supply Company, Inc. of Detroit and Shelving, Inc. of Auburn Hills.

Category two (26-150 employees) finalists are Dee Cramer, Inc. of Flint, Fencico, Inc. of Davison and Huron Automatic Screw Company of Port Huron.

Flexible Products Co. of Auburn Hills, Madison Industries of Detroit and NRECON of Birmingham round out the competition as finalists in category three (more than 150 employees).

All the finalists have been notified. However, whether they are bronze, silver or gold winners is kept secret until the awards banquet on Thursday, March 26, 1998.

"Once again, our judges had a stellar

pool of high quality applicants to select from," said Franklin Bank SVP Rebecca Christian.

The March 26 banquet is at the Westin (formerly Radisson Plaza) Hotel in Southfield and includes a welcome cocktail reception sponsored by Plante & Moran beginning at 6 p.m.

Other sponsors of the event include WWJ 950 Newsradio, Franklin Bank, The Family Business Council and Safeguard Business Systems.

Admission to the awards banquet is \$100 and is available by calling either Rebecca Christian or Sylvia Geruthy at 248-558-6462.

## Employment levels set state record

Michigan's labor force and employment levels reached new highs in January.

The state's total labor force was up 35,000, to 5,048,000.

The number of people employed in Michigan was up 32,000, to 4,848,000.

While total employment in Michigan increased, the job market grew slightly faster, causing a small increase in the number of people unemployed in January. Unemployment was up 3,000, to 2,000.

This resulted in a tenth of a percentage point rise in the state's unemployment rate for January, to 4.0 percent, up from a final rate for December of 3.9 percent.

"The state's overall employment patterns were typical for the

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## BUSINESS MILESTONES



Blaisdell

vice associate at Plante & Moran in Southfield. He leads the company's technology team and fraud and investigative services.



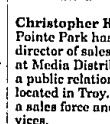
Dickinson

trustee services group. She specializes in trust administration, estate planning and probate issues. Previously, she was an estate planner at Comerica Bank.



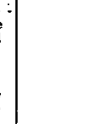
Fournier

lego of Healthcare Executives. Fournier is executive vice president in charge of marketing for HDS Services in Farmington Hills.



Kiegl

Christopher Kiegl of Grosse Pointe Park has been appointed director of sales and marketing at Media Distribution Services, a public relations support firm located in Troy. He will manage a sales force and new client services.



Kopplin

Donna Kopplin of Beverly Hills has been promoted to a tax associate at Plante & Moran in Southfield. She has been a member of the tax staff since joining the firm in 1992. She specializes in tax issues for the service industry, family business, professional firms and real estate.



Koskela

Bonnie Kern-Koskela has been promoted to vice president of international operations at Maxitrol Company based in Southfield. She will be responsible



Cerwin

Rachel Dickinson of Birmingham has been promoted to vice president at the Detroit office of Shandwick in Southfield. She will supervise major automotive accounts with an emphasis on strategic marketing communications programs.

Jerry Fournier of Farmington Hills has been admitted as an associate to the American Col-

Carol Cerwin of Grosse Pointe Woods has joined Plante & Moran in Bloomfield Hills as a trust administrator in the