



## Your Taxes and Financial Matters

By: **Richard P. Król**

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## Business Vehicle Expenses

You plot the fastest route to your client's office with an on-board navigation system. You use a hands-free cell to leave last-minute instructions for your staff on the way to the meeting. Your computer, presentation materials, and an extra shirt are in the back seat. In short, your vehicle is your office on wheels.

It's also a tax deduction.

### Here's what you need to know to reap the benefits.

**Overview:** You can deduct auto expenses when you own or lease a vehicle and use it for business. Deliveries to customers, traveling to business meetings, and trips to the office supply store qualify as business use. Commuting generally doesn't, even if you discuss work on your phone while stuck in traffic.

**The rules:** You have two alternatives for calculating the deduction: actual costs or the standard mileage rate. If you choose standard mileage in the first year you use a vehicle you own for business, you can usually switch to actual costs in later years. Choosing standard mileage for a leased vehicle locks you in to that method for the term of the lease.

**What's deductible?** Under the actual cost method, deductible costs include depreciation, maintenance, gasoline, taxes, insurance, parking fees, and interest expense.

The standard mileage rate for business use during 2007 is 48.5 cents per mile. In addition, you can deduct the business portion of parking fees, tolls, certain taxes, and, if you're self-employed, interest on your vehicle loan.

**How to benefit:** Maintain a log of business and personal mileage and keep receipts. Having both lets you pick the method that generates the largest deduction.

### Homeowners:

#### Don't make these insurance mistakes

Catastrophes, thefts, natural disasters, accidents and fires all can happen. If such misfortunes strike, a well-researched and up-to-date homeowner's insurance policy can keep your family's finances afloat during trying times. Proceeds from a homeowner's policy can provide necessary funds to replace your house and belongings. A good policy can also protect against unexpected liabilities. If you're considering a new homeowner's policy (or already have one), watch out for some common pitfalls, including the following:

**Inadequate policy limits.** Some homeowners try to lower their premiums by purchasing a policy that doesn't fund their home's replacement value. That's often a big mistake. If the cost to replace your home has risen over the years and policy limits haven't kept pace, you could end up footing the bill for much of the replacement cost (or selling your property at fire sale prices).

**Personal property not documented.** If you need to file a claim, an insurance carrier will want solid evidence that you owned the items being claimed. It's a good idea to take pictures or videos of all your household goods, and keep receipts of all expensive purchases. Place copies of the pictures and receipts in a safe deposit box and at home in a fireproof safe. You might even send copies to an out-of-town friend or relative. Being able to provide clear evidence of your personal belongings will simplify the claims process and help ensure that you get paid.

**Valuables not covered.** Check your policy to ensure that expensive jewelry, antiques, and other valuables are included. If not, consider adding a rider to the policy that specifically lists such items.

**Deductible too low.** Generally, the higher the deductible, the lower the premium. True, in the event a claim needs to be filed, you'll pay a bigger chunk of the repair or replacement cost with a high deductible. On

Taxes to page 14

## Music News

By: **Marek Żebrowski and Krysta Close**

## If music be the food of love, play on...

By: **Marek Żebrowski**

The Geffen Playhouse stage in the heart of Westwood was transformed in many ways during the month of August. The props-a heavy mixture of claret-colored drapery, a fireplace dotted with vases and various objects d'art and a rosewood grand piano placed center stage-changed the theatre setting into a reasonable semblance of a nineteenth-century boudoir of a Parisian aesthete. The other-and more important transformation-took place when Hershey Felder strolled up the aisle and briskly walked to the piano. Sporting a mane of hair modeled on an early Daguerreotype of Chopin and a fancy frock coat, Felder took possession of his theatrical surroundings like a habitué on intimate terms with the space. Within a few seconds, the audience impatiently waiting for the show forgot the setup and was mesmerized to hear Frederic Chopin speak and play his works.

A lesson-purportedly given on 4 March 1848-was a but a dramatic device to narrate the life of Chopin, beginning with his early Warsaw years, continuing on to his triumphs in Vienna, and his two decades of exile in Paris. Throughout the two-hour spectacle, Felder was able to maintain a delicate balance of personal charm and touching snobbery, as he portrayed Chopin en intimité, sharing with the audience the secrets of his circle of friends and foes. Felder's artistic insight into Chopin's compositions was ably conveyed through witty remarks and live performances of several of Chopin's best-known compositions.

The most successful moments of the show came about when the mixture of music and Chopin's complex personality soared above the realization that this is only a spectacle. The subtle sounds of Nocturnes, wistful Mazurkas and fiery Polonaises and Felder's impeccable delivery of Chopin's lines produced another miraculous transformation. The audience became a witness to something that might have happened well over a century ago, and the spirit of Chopin was suddenly and vividly present in our midst. Towards the end, in a virtuoso sequence of "question and answer" segment, Felder deftly handled numerous questions from the audience, attempting to answer them in a way Chopin might have done himself. It was here that Felder's depth of research into Chopin's life and personality proved truly admirable. The performer had clearly immersed himself in the subject by thoroughly studying Chopin's correspondence as well as the lives of Chopin's intimate friends. Fully in character and in command of the moment, Felder was convincing and entertaining, and his timing of various ripostes was quite impeccable.

Such level of inspiration is, of course, difficult to sustain, and some of the directorial decisions (a film clip of a country maiden dancing to a poorly choreographed sequence or a recurring glimpses of a candelabra with flickering candles) were, at best, an unwelcome distraction. Pacing (especially of the opening) and the occasionally glib or facile conclusions about some of Chopin's works were also at odds with the generally admirable qualities of the show. In the end, however, the familiar figure of Chopin escaped unharmed by attempts to revive it, gaining on this occasion more fans for the contemporary hero of the show, who also portrayed Gershwin on stage and plans to tackle a thorny personality of Beethoven next. Summarizing Hershey Felder's performance in Monsieur Chopin one could happily continue the quote used in a title of this review from Shakespeare's Twelfth Night uttered by love-hungry Duke Orsino: "Give me excess of it!" Would more music ever cure an obsessive love? Not likely, for this show played to a house full of hungry and eager fans. □



## Investments

By: **Joanna Brost**

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### Is Your Retirement At Risk?

Americans insure their homes, cars, and family members. But most of us are not protecting our retirement assets. Why? Because most of us are not familiar with the risk we face when it comes to retirement.

### What's at Risk?

Americans can no longer rely on the benefits provided by employer pension plans or Social Security to provide guaranteed income for life. With tremendous increases in longevity, many of us could spend as many years in retirement as we did working toward it. With the possibility of a 30-year retirement, we may have more to live for, but will our income expire before we do? The risk of outliving your retirement savings is referred to as Longevity Risk. If you're looking to retire in the near future, now is the time to look for ways to help secure your retirement income. Variable annuities provide a solution to carefully consider.

### Mitigating the Risk

Variable annuities (VA) are long-term retirement investments designed to provide income that cannot be outlived. In addition to the benefits of tax-deferral, and lifetime income generation, current products offer optional benefits, known as Living Benefits. Living benefits work to protect your retirement assets and guarantee predictable levels of retirement income regardless of market conditions. A balanced portfolio should include a diverse range of investments, including fixed-income. However, it is important to be aware that these investments are more sensitive to inflation risk. It's important to consider investments that have a better chance of at least keeping pace with inflation. Historically, equities have provided greater returns.

### Protection for You

VAs that offer living benefit options, which come at an additional fee, allow you to invest in the market through a broad spectrum of investment options, covering a range of asset classes. If you elect an optional living benefit this may allow you to invest more confidently in equities because of the downside protection provided by the benefit, which is backed by the financial strength of the issuing insurer.

In an UP market, you can benefit from exposure to the growth potential of the market while protecting your asset base. You may also have the opportunity to protect the gains in your account by locking them in at the new higher account value. In a DOWN market, your assets are protected by placing a floor beneath them.

### Protection for Your Heirs

Generally VAs offer a standard death benefit that provides a return of your investment, adjusted for withdrawals, at no additional cost. Additionally, some "enhanced" options allow you to lock-in gains for the proceeds to be passed to your heirs. These types of options are generally available at an additional cost.

### Making the Right Choice

Variable annuities are not for everyone and you should seek professional advice if you're considering purchasing one. However, they may provide an appropriate solution for some, particularly those wishing

Investments to page 14



## Legal

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## O Visas

The "O" category of visas is a special category for highly talented or nationally or internationally acclaimed foreign nationals who may not qualify for other types of work-related visas. This category is often used by artists, athletes, entertainers, skilled high-end chefs, and business professionals who lack professional degrees. The O category can be a useful alternative to the H-1B program because it lacks many of the restrictive features and has no cap. This article will give a general introduction to O visas. You should see a qualified immigration attorney before proceeding with an O visa or any other type of application with Citizenship and Immigration Services ("CIS").

### Who qualifies for an O visa?

The O category is not for everyone. O-1 beneficiaries in the sciences, arts, education, business, or athletics must demonstrate extraordinary ability, as shown by "sustained national or international acclaim. This is a high standard where business persons, scientists, educators, and athletes are concerned. But "extraordinary ability" is a much lower standard as applied to artists and entertainers. You must also show that you are coming to the U.S. to continue working in your area of extraordinary ability.

### What achievements show extraordinary ability?

Individuals applying based on achievements in the sciences, arts, education, business, or athletics must show "a level of expertise indicating that the person is one of the small percentage who have arisen [sic] to the very top of the field of endeavor." This means showing evidence either of the beneficiary's receipt of a "major, internationally recognized award, such as the Nobel Prize," or documentation of at least three achievements, such as:

- Receipt of nationally or internationally recognized prizes/awards for excellence in the field;
- Membership in associations in the field that require outstanding achievement of their members, as judged by recognized national or international experts; or
- Published material in professional or major trade publications or major media about the alien.

For those in the arts, "extraordinary ability" means "distinction, which means "a high level of achievement in the field of arts evidenced by a degree of skill and recognition substantially above that ordinarily encountered to the extent that a person described as prominent is renowned, leading, or well-known in the field of arts." The arts are broadly defined to include "any field of creative activity or endeavor such as, but not limited to, fine arts, visual arts, culinary arts, and performing arts." These applicants must show either that the beneficiary has been nominated for or has received a significant national or international award or prize, such as an "Academy Award," or meet at least three additional criteria, including performances in a critical production; national or international recognition for achievements; and/or demonstrating a record of major

Legal to page 14

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