

# Tax

(Continued from page 3)

**NEW LAW** — Beginning in 1987, state and local sales taxes are no longer deductible.

**INTEREST DEDUCTIONS**  
**PRIOR LAW** — Generally all nonbusiness interest paid was deductible as an itemized expense with the exception of investment interest which was limited to net investment income plus \$10,000 with any excess able to be carried over.

**NEW LAW** — Beginning in 1987, nonbusiness interest will be classified into one of three categories, each subject to a separate set of rules as shown below:

**1. QUALIFIED RESIDENCE INTEREST** — Taxpayers may continue to deduct interest on a debt secured by a security interest perfected under local law on first or second homes. The homes must be "qualified residences". A home is a qualified residence if it is the taxpayer's principal residence or if it is a second residence designated for this purpose from year to year that is used for personal purposes at least 14 days in a year. Interest is only deductible on the loan, however, to the extent that it is attributable to the portion of the loan that does not exceed the sum of: a.) the purchase price of the residence, b.) the cost of improvements and c.) an additional amount up to the fair market value of the home for educational and medical expenses if incurred after August 16, 1986. If the amount of the loan outstanding on August 16, 1986 exceeds the sum of the above, then such amount is substituted as the maximum qualified indebtedness.

**2. CONSUMER INTEREST** — Consumer interest may be described as that interest paid on loans other than for business or investment purposes and

qualified residence mortgages. Included in consumer interest would be amounts paid on credit cards, auto loans, student loans and tax deficiencies. Consumer interest will be fully nondeductible in 1991 and thereafter but will be phased out during the intervening four years.

**3. INVESTMENT INTEREST** — Investment interest will only be deductible to the extent of net investment income beginning in 1987. For purposes of computing this limitation, net investment income includes interest, dividends, rents and royalties in excess of any related expenses, depreciation required to be recaptured on the disposition of depreciable property and capital gain net income from the disposition of property held for investment. The excess investment interest that would have otherwise been allowable under the prior law (i.e., the additional \$10,000 allowance) is subject to a five year phase-out similar to that for consumer interest previously discussed.

**UNEMPLOYMENT COMPENSATION BENEFITS**  
**PRIOR LAW** — A limited exclusion was allowed in 1986. If adjusted gross income plus unemployment benefits did not exceed \$12,000 on a single return or \$18,000 on a joint return, no amount was taxable.

**TWO WAGE EARNER DEDUCTION**  
**PRIOR LAW** — Also known as the marriage penalty deduction, when both spouses worked and filed a joint return, 10 percent of the earned income of the spouse with the lower earned income up to a maximum deduction of \$3,000 was allowed.

**NEW LAW** — The deduction is repealed for years after 1986.



Dallas Post/Jane Renn

## A cow on wheels?

No, you weren't seeing things on the Dallas Highway last Friday - there really was a cow travelling through town. Here, Dara Cox, five-year-old daughter of Turkey Hill Marketing Manager, John Cox, prepares to help her father set up the cow at the new Dallas Turkey Hill Market. The cow, which stands 13'4" and weighs approximately two tons with its trailer, came to the Back Mountain from Lancaster and will leave Friday for Cochranville. The cow is 20 years old and participates in parades and fairs and new store openings all year round. She does not have a name because "Nothing's quite big enough to fit," said Cox. Al Rinehimer is the manager of the Dallas Turkey Hill Market.

## Completes training

Navy Recruit John Mark Westfield, member of the Keystone Company, comprised of 80 select young Pennsylvanians, successfully completed basic training at Orlando, Fla., August 22, 1986.

Hospitalman Recruit Westfield graduated 7th in his class from Hospital Corpsman School, Great Lakes, Illinois on November 26.

## Property transfers

(The following Back Mountain properties have been listed for transfer at the Luzerne County Courthouse:)

ROBERT S. GARDNER and PRISCILLA J. wife, to JOSEPH T. THOMAS, and MARLENE L., wife, 97 West Elmcrest Dr., Dallas, Property there - Dallas Township, 2 parcels, West Elmcrest Dr., \$77,000.

LEO BATOR and wife, to LUCY B. MANUSKY, RD 1, Box 142A, Harveys Lake, Property there - Harveys Lake, Grove St.

LAME DUCK OUTLET, INC., to GERALD J. GIZENSKI, and MARY ANN, wife, Box 118A,

RD 3, Hunlock Creek, Property there - Kingston Township, 2 parcels, \$72,000.

LEONARD KOZICK, and wife, to MARTHA C. and ALBERT E. BROWN, RD 1, 494B Upper Demunds Rd., Dallas, Property there - Dallas Township, \$50,000.

HERMAN F. FUNKE, and wife, to PATRICIA A. and TIMOTHY J. CONNOLLY, Evans St., Pringle, Property there - Kingston Township, \$23,500.

MANLEY ASSOCIATES, INC., to HERBERT L. RITENBERG, and all, 419 Orchard West, Dallas, Property there - Dallas Boro, \$25,500.

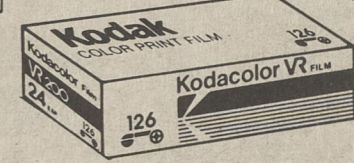
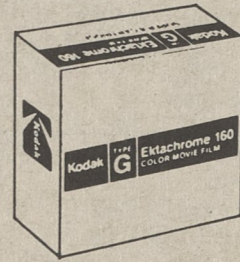
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## Deaths

STASIA YURKO - 67, of RD Trojan Road, Hunlock Creek, Lehman Township, December 13 in the Wilkes-Barre General Hospital. A resident of Lehman Township for 40 years, she was a member of Our Lady of Mount Carmel Church, Lake Silkworth and its Women's Society.

WILLARD R. PIATT - 675 Carverton Road, Kingston, December 10 in the Wilson Memorial Hospital, Johnson City, N.Y., after an apparent heart attack. A lifelong resident of Carverton, he was chairman of the board of supervisors for Kingston Township.

EVIA ALTEMUS - 96, of 71 Valley View Park, Dallas, December 9 at the Laporte United Methodist Home, Laporte. A native of Ross Township, she attended East Dallas United Methodist Church.

PAUL JONES - 60, former resident of Noxen, December 8

in the Laurel Hill Nursing Home, Scranton. A native of Noxen, he was employed on an ore boat on the Great Lakes for 24 years.

Hospitalman Recruit Westfield graduated 7th in his class from Hospital Corpsman School, Great Lakes, Illinois on November 26.

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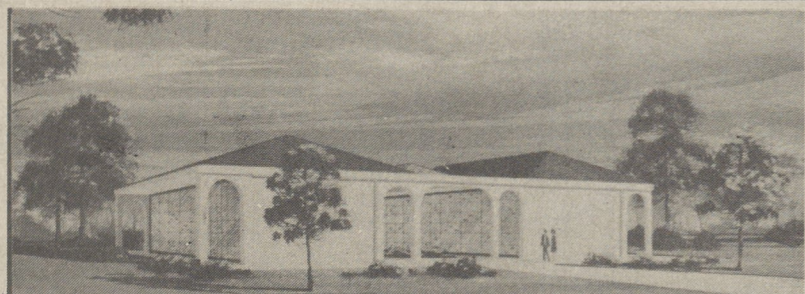
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