

# HOME-VIEWS

Monthly Newsletter for Today's Homeowner

April 2008



## Are you paying more in taxes than the law requires?

The Mortgage Forgiveness Debt Relief Act of 2007 allows homeowners to exclude a portion of their qualified principal residence indebtedness. The IRS defines a principal residence as the home where a person lives most of the time. The phrase "qualified principal residence indebtedness" refers to a mortgage used to buy, build, or substantially improve a principal residence.

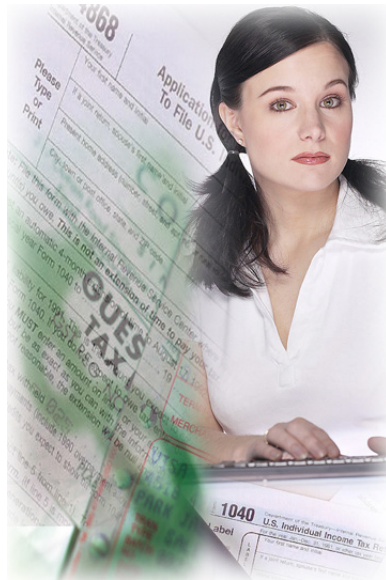
### Some other changes in the tax regulations that may benefit you include the following:

- ✓ You may now be able to deduct up to \$5,000 for an IRA contribution, and up to \$6,000 if you will be 50 years old or older by the end of 2008. You may also be able to deduct an additional \$3,000 if you participated in a 401(k) plan and your employer was in bankruptcy during a previous year.
- ✓ Rates for business mileage deductions have increased from 48.5 cents per mile to 50.5 cents per mile.
- ✓ You may deduct 19 cents per mile for mileage related to medical or moving purposes.
- ✓ You may deduct 14 cents per mile for driving on behalf of a charitable organization.

### Some of the tax provisions that were scheduled to expire at the end of 2007 include:

- ✓ The deduction for qualified tuition and fees
- ✓ The credit for non-business energy property
- ✓ The exclusion from income of qualified charitable distributions
- ✓ The itemized deduction for state and local general sales taxes

IRS regulations concerning allowable tax deductions can be very complicated and difficult to understand. It is better to consult with a reputable tax professional than to assume anything incorrectly and make a mistake on your tax return. A licensed Certified Public Accountant (CPA) can be a reliable source of tax information and assistance. *You can also obtain help from the IRS by calling 1-800-829-1040.*



## The importance of an E-M-E-R-G-E-N-C-Y fund

Most financial advisors agree that people should have a special fund set aside to deal with unexpected emergencies, with the amount of the fund equal to at least 3 months' worth (preferably 6 months' worth) of basic living expenses. Basic living expenses consist of rent or mortgage, bills such as credit card and car payments, and food costs. The purpose of the fund is to be able to pay for unplanned expenses like repairing roof leaks, replacing plumbing pipes or electrical wiring, dealing with a car breakdown, or paying for medical bills that are not covered by medical insurance in the event you lose your job or become disabled. Without an emergency fund, you might be forced to incur more credit card debt or sell an investment at a loss in order to deal with an unexpected crisis.

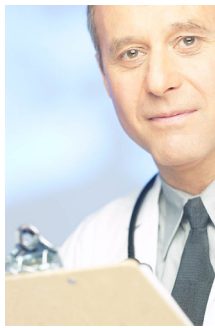
Financial experts recommend creating an emergency fund by depositing some money every month (i.e., \$25, \$50, \$100) into a checking or savings account. Checking accounts and saving accounts are FDIC-insured, so they are both safe and easily accessible. The idea is to think about this fund as if it were just another monthly bill that needs to be paid. Your success in building up your emergency fund depends on your ability to stick with your plan and resist the temptation to tap into it to buy something you want that happens to be on sale or for anything other than a real emergency.



## Aspirin: can it save your life?

There has been a lot of news in the media about the health benefits of aspirin, including reports suggesting that aspirin can be effective in preventing heart attacks, colon cancer, and other types of cancer. A study performed at Johns Hopkins Hospital presented evidence that a daily low dose of aspirin can lower blood clot formation in both men and women. The American Heart Association recommends seeking immediate medical care in the event of a heart attack and chewing 325 milligrams of aspirin as soon as the symptoms of a heart attack are evident. The American Heart Association also advises people who have had a previous heart attack or who have atherosclerosis to take 50-100 milligrams of aspirin per day.

Medical researchers believe aspirin prevents blood



platelets from sticking together and forming the kind of blood clots that cause most heart attacks and strokes. The U.S. Food and Drug Administration supports the idea that aspirin can help prevent a heart attack or clot-related stroke by lowering the clotting action of the blood's platelets. But the FDA also warns people about aspirin's side effects.

Aspirin has been shown to cause such problems as stomach bleeding, hemorrhages in the brain, and kidney failure. Adverse reactions can occur between aspirin and certain prescription drugs, and also between aspirin and some vitamins and herbs. So the FDA advises you to consult with your doctor before deciding whether daily aspirin use is an appropriate course of preventive medical action for you.



## Transform your bedroom into a peaceful retreat

The modern bedroom is more than merely a place to sleep. The bedroom has become a place to exercise, to meditate, to read, to study, and to simply find peace and solace away from the hectic world. Families who love television have also discovered that having a TV in

the bedroom, in addition to others in the home, avoids arguments over who can watch what, and when.

Repainting a room with a new color scheme is the most inexpensive way to change the way a room feels. Interior designers recommend you use soft blues and greens, or earth tones like light brown and taupe, to create a calm and inviting effect. To achieve a brighter and lighter feeling, try a mellow shade of yellow. Combinations of green, brown,

beige, and tan interspersed with floral prints or photographs of flowers lend a warm, tropical feeling. Color specialists say that blue makes a room feel more formal, violet makes a small room seem larger, and dark colors should be avoided because they tend to make a bedroom feel oppressive.

One of the most popular trends in bedroom decorating involves dressing up the bed. Try using quilts, top-of-the-line sheets, wool and silk throws, and different types of accent pillows to create a uniquely comfortable appearance for your bed.

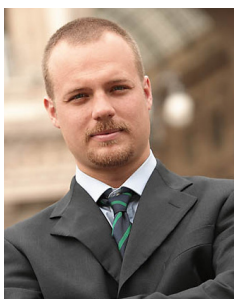
You can also use more than one lighting scheme to achieve different moods at different times. Subdued lighting creates a quiet, peaceful effect, and an inexpensive indoor trickling water fountain provides a bedroom with the calming sound of peaceful water quietly flowing.

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