



**Your Taxes and Financial Matters**

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**A review of changes affecting your 2007 return**

With all the tax law changes recently, you may have forgotten which ones affect your 2007 tax return, and which are for 2008 and beyond.

Here are eight changes that apply to 2007:

**For your business return**

- 1. Business mileage.** The 2007 standard rate for business use of your vehicle is 48.5¢ per mile.
- 2. Manufacturing deduction.** Officially called the "domestic production activities deduction," the value of this tax break doubled to 6% of your business's qualified production activities. The deduction is available for traditional manufacturers, as well as construction contractors, engineering firms, architects, software developers, and film producers, among others.
- 3. Section 179 depreciation.** You can elect to deduct up to \$125,000 of qualified assets placed in service during 2007.
- 4. Work opportunity tax credit.** A tax law enacted mid-year 2007 expanded and modified this credit, which is available when you hire workers from targeted groups. More workers are included and a higher wage threshold applies.

**For your personal return**

- 1. Alternative minimum tax (AMT) exemptions.** In December the AMT exemption for 2007 was increased to \$66,250 when you're married filing jointly (\$44,350 if you're single or file as head of household).
- 2. Foreclosure relief.** Beginning January 1, 2007, debt forgiven on certain home mortgage loans is no longer considered income.
- 3. Husband/wife businesses.** Simplified reporting rules are effective beginning in 2007. If you and your spouse operate a sole proprietorship, you can elect to file as a joint venture instead of a partnership.
- 4. Mortgage insurance premiums.** You may be able to take an itemized deduction for qualified mortgage insurance premiums paid during 2007.

**Be sure to count all your medical deductions**

Are you examining your receipts, hoping to exceed the 7.5% of adjusted gross income threshold for deducting medical and dental costs? A quick review of deductible expenses and a recent IRS ruling may help.

Here are five types of medical expenses that can increase your deduction:

- 1. Expenses paid for qualifying individuals.** You may be able to deduct expenses you pay for someone you don't claim as a dependent.  
For instance, say you provided over half of a parent's support during 2007. Your parent earned more than \$3,400 of gross income, but meets the definition of dependent in all other ways. You can include what you paid for his or her medical expenses on your tax return.
- 2. Diagnostic procedures and devices.** In a ruling issued during 2007, the IRS concluded that some unreimbursed medical costs are

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**Music News**

By: **Marek Żebrowski and Krysta Close**

**Not To Be Missed!**

The Polish Music Center at the University of Southern California is pleased to invite you to the **POLISH MUSIC SPRING** concert. An exciting program of music by some of Poland's greatest composers – Chopin, Lutosławski, Paderewski, and Penderecki – will be presented by USC faculty, students, and guest artists. **The concert will take place at 7:30 p.m. on 27 March 2008 at the Alfred Newman Recital Hall at USC.** This performance is free and open to the public.

The program for the evening will feature several fascinating compositions for strings and piano, including Lutosławski's 1984 *Partita for Violin and Piano* and Penderecki's *Second Sonata for Violin and Piano* dating from 1999. Lutosławski described the *Partita* as "one of my most important works." According to Midori Goto, one of the greatest violinists of our time and a renowned interpreter of modern music, Lutosławski's *Partita* is "... a masterpiece for violin and piano. It contains everything one can imagine in a deeply-moving musical work: the life within this music is so powerful that both to play it and to listen to it is an overwhelming experience."

Although Penderecki is chiefly known for his large-scale, ground-breaking orchestral works, his few chamber music compositions are very important in their own right. His *First Violin and Piano Sonata* dates from 1953. Written almost half a century later, the *Second Sonata for Violin and Piano* shares with its predecessor the idiom of tonal language. It also embraces traditional forms and modes of musical expression that Penderecki returned to in his recent compositions. This expansive, five-movement work alternates between virtuosity and introspection within its wide spectrum of moods.

*Nocturnes* and *Mazurkas* by Chopin and Paderewski, as well as the lesser-known *Cantabile* and *Trois Ecossaises* will also be featured on this program, but not in their original version for solo piano. They will be heard for the first time in a new arrangement for piano and strings by pianist and Polish Music Center Director Marek Żebrowski. Chopin composed only a few chamber music works and this selection of arrangements seeks to demonstrate that Chopin's unforgettable piano masterpieces can be shared in a chamber setting with a violin and cello.

For this performance, please enter the USC campus at Gate 3 on Figueroa Street, where paid parking is available in Parking Structure X. Further information can be obtained by contacting the Polish Music Center at 213-821-1356, visiting the Polish Music Center Website at [www.usc.edu/dept/polish\\_music/PolishMusicSpring08.html](http://www.usc.edu/dept/polish_music/PolishMusicSpring08.html), or e-mailing the offices at [polmusic@usc.edu](mailto:polmusic@usc.edu) □

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**Investments**

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**Selecting A Financial Advisor**

Many successful professionals don't have the time, information, or know-how to effectively manage their finances and plan for the future. Finding someone to help is very important, but the process can involve significant risks. All too often, we hear stories of less-than-scrupulous individuals who end up taking advantage of clients. To help you on your search, here are some essential guidelines for selecting a financial advisor.

**Find a financial advisor with whom you're compatible**

It's important that you find someone with whom you feel at ease. Open channels of communication are imperative. You should feel comfortable enough to honestly share your goals and long-term plans, not just your financial information. In order to consult with you most effectively, your financial advisor needs to fully understand and appreciate you, your situation, and what you want for your future.

**Make sure you can trust your financial advisor**

Any time that you involve someone else in your personal affairs, you need to establish a level of trust. As you begin to work with your financial advisor, you should feel that you're establishing mutual respect and commitment, as well as becoming more comfortable with the solutions your financial advisor makes available to you. While you should always be diligent about understanding and monitoring your finances, the best financial advisor-client relationships are those in which both parties know each other well and work together towards achieving the client's stated goals.

**A good financial advisor should be a good teacher**

By gauging your current level of financial knowledge, your financial advisor should explain options and choices in language you understand, while also sharing new concepts that help you think more dynamically and proactively. Look for a financial advisor who has a broad level of knowledge on a wide range of financially-related topics.

**Choose someone with a good team in place**

Choose a financial advisor who can work with you and your network of specialists. The financial advisor should be able to help you coordinate the roles of your specialists such as your CPA, trust and estate attorney, insurance professional and lending specialist.

**Your Expectations**

It's important to take the time to assess the relationship you have with your current financial advisor to determine if it is working for you. Finding the right financial advisor can make a dramatic difference in your future.

**For More Information**

If you'd like to learn more, please write to me in care of  
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**Legal**

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**What are the various ways to get a visa in the U.S.?**

*Q: There are so many rumors in the immigrant community that I am never sure what to believe. Many people say that you can stay in the U.S. easily as long as you have an employer; others say it's almost impossible. Can you tell me what are the various categories of visas that exist for people who have a job?*

*A: Almost on a daily basis, I am asked to describe the various ways one can come to the United States or remain here. Most people do not have close family members here who can sponsor them and are therefore left applying for a temporary or permanent visa through an employer. Below I provide a summary of the primary visas available for non-immigrants and immigrants obtained through some form of work.*

**Temporary work-related visas**

This is an overview of the current law applying to applications for temporary visas in the U.S. based upon employment or business purposes.

There are many different kinds of nonimmigrant visa types. Below are listed the most common:

- B-1** Business visa; usually valid for six months or less, but may be extended
- E** Treaty trader or investor visa
- F-1** Student visa
- H-1** Professional visa, with the right to work for sponsoring company, valid for up to 6 years. Usually requires a degree
- L-1** Intra-company transferee, sponsored by a company abroad with a related company here, providing the right to work for the sponsoring company. Valid for up to 7 years.
- O/P** Artist or entertainer
- J-1** Trainee

Persons obtaining these visas are permitted to enter the United States for temporary, specifically defined periods of time and in most cases must show intent to return to their home country at the end of their temporary stay.

Those applying overseas have their eligibility reviewed twice before coming to the United States. The State Department Consular Officer decides whether the individual's purpose in coming fits one of the approved categories, and whether the person meets all other eligibility criteria for admission before issuing a visa to allow the individual to come to the United States. Upon arrival, all non-immigrants are inspected by the INS to reconfirm their qualification for admission, and to authorize a specific length of stay. This process at the border has become more difficult in the past several years, as border officials aggressively scrutinize a person's reasons for coming here before admitting them.

**Gaining permanent residence through a job**

This is an overview of the current law applying to applications for permanent residence in the U.S. based upon employment or business purposes.

There are five basic types of business immigrant visas. All categories are limited by annual levels and per-country levels.

- First Category:** Priority Workers
- Second Category:** Members of the Professions Holding Advanced Degrees or Persons of Exceptional Ability
- Third Category:** Skilled Workers, Professionals and Other Workers
- Fourth Category:** Certain Special Immigrants

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