



## Your Taxes and Financial Matters

By: **Richard P. Król**

1 800 cpa-krol richard@cpakrol.com

### The Dependent Challenge

One of the most confusing issues when filing a tax return is determining who is a dependent and how long can that dependent be claimed. Congress attempted to make the answer more uniform, but in doing so has complicated the process.

A dependent is someone who creates a deduction of \$3,500 (2008) on your return. That person may also make you eligible for the child tax credit (\$1,000), head of household status, education tax benefits, earned income credit (EIC), and the childcare credit.

Congress has established criteria to determine who is a dependent. That sounds easy enough, but here is where the fun starts. There are some general rules that apply to any potential dependent.

1. The dependent must be a citizen or a national of the United States, a resident alien (not a citizen but have lived here long enough to qualify as a resident), or a resident of Canada or Mexico.
2. The dependent, if married, must not file a joint return unless it is for refund purposes only and would not otherwise need to file.

If the prospective dependent is your child, stepchild, adopted child, brother, sister, step-brother, step-sister, or a descendant of any of the foregoing, or a foster child placed by a qualified agency, a "qualified child test" is applied. This test requires an affirmative answer to a number of questions to determine whether the child is your dependent.

#### Qualified Child Test

1. Is the child under the age of nineteen, under the age of twenty-four if a full time student, or permanently and totally disabled at any time during the year?
2. Was the child's principal place of abode with you for more than half of the year?
3. Did the child pay no more than one half of his or her support for the year?

If the person you want to claim does not meet the qualified child test, you have one more chance for some of those benefits listed earlier. The individual must be a qualified relative and affirmatively satisfy the following tests.

#### Qualified Relative Test

1. Is the person you wish to claim a relative or in-law? (In this test, the definition of a relative includes parents and their ancestors; children and their descendants; brothers, sisters, and their children; aunts and uncles; and step-fathers, step-mothers, step-brothers, and step sisters. In-laws include the following: father-, mother-, brother-, and sister-in-law.)
2. If the person is not a relative, in-law, or spouse, did he/she live as a member of your household for the entire year and make use of it as their principal place of abode?
3. Does the person you wish to claim have income in excess of the exemption amount (\$3,500 for 2008)? Social security income is not taken into consideration for this purpose.
4. Do you pay more than half the cost of supporting the person you wish to claim?

The qualified relative test is not based on age. The person living with you can be a baby or a grandparent, related or not. The important factors are that you must support this person and the person cannot make more than the designated amount of money for that year. If a child meets the qualified child test, that test must be applied before the qualified relative test. And the person cannot be a qualified child

*Taxes - Dependent to page 16*

## Music News

By: **Marek Żebrowski and Krysta Close**

### Krauze Anniversary

Zygmunt Krauze will celebrate his seventieth birthday on September 19, 2008. This distinguished Polish composer and pianist has firmly established himself as a highly original voice in contemporary Polish Music. Krauze's artistic education began with studies of piano with Maria Wilkomirska and of composition with Kazimierz Sikorski. After graduating from the Chopin Academy in Warsaw in 1964, Krauze spent a year in Paris studying with Nadia Boulanger. In the late 1960s Krauze founded the Warsaw Music Workshop, a contemporary music ensemble that he also directed for over twenty years. To this day Zygmunt Krauze maintains an active career as solo pianist and composer, with numerous performances all over the world, including Autumne de Paris, Holland Festival, ISCM World Music Days and the Warsaw Autumn Festivals. Zygmunt Krauze has received commissions from the Ministry of Culture in Poland, Österreichischer Rundfunk, Westdeutscher Rundfunk and Südwestfunk Radio, Gulbenkian Foundation, Ministère de la Culture and Radio France, and Polish Radio. Zygmunt Krauze is a renowned opera composer, whose stage works have been produced by the Hamburg Staatsoper, Théâtre National de la Colline in Paris, Nationaltheater Mannheim, as well as the Warsaw Chamber Opera and the Grand Opera Theater. In 1984 Mr. Krauze was named a Chevalier de l'Ordre des Arts et des Lettres and, among his many international awards and distinctions he has received the Prize of the Polish Composers Union (1988), Poland's Ministry of Culture Prize (1989), the Chopin Gold Medal from the Chopin Foundation (1994), the Golden Cross of Merit of Poland (2004) and the Annual Prize of the Polish Ministry of Culture (2005). In 1999 Mr. Krauze was elected an honorary member of the International Society for Contemporary Music, and in February 2008 he was decorated with the order of Légion d'honneur for his outstanding contributions to French culture.

Zygmunt Krauze is primarily known as a composer of "unistic music," inspired by the paintings of Władysław Strzemiński (1893 – 1952). Like the avant-garde canvasses of Strzemiński, the atmosphere of Krauze's unistic compositions perfected during the 1970s and the 1980s feature little contrast and conflict, allowing the listener to feel the mood of the piece right from the beginning. Musical form - another important aspect in Krauze's compositions - is also treated as a reflection of the infinite. According to Krauze's own description, "form without contrast represents the spatial aspect of music that has no clear beginning or ending. This type of music can be of any length, and can be stopped at any time without affecting its basic qualities. Such musical form opens up new possibilities of perception: ideally this music could be continuous and await its listener, who could come and leave at any time that is convenient. This arrangement is possible only in a totally different type of concert spaces that need to be developed in collaboration with architects."

Stage music constitutes an important part of Zygmunt Krauze's opus. During the 1980s, he collaborated in Paris with the theater director, Jorge Lavelli, on several productions at the Comedie-française and Theatre National de la Colline. Krauze's fascination with stage led directly to his composing of operas, Gwiazda [The Star] in 1981, Balthazar (2001), and Iwona Księżniczka Burgunda [Yvonne, Princess of Burgundy] in 2004, based on librettos by such great Polish

*Music News - Krauze to page 16*



## Investments

By: **Joanna Moran**

Financial Advisor  
(800) 473-1331 X 259  
joanna.brost@morganstanley.com

### "Planning Your Charitable Donations with a Donor Advised Fund"

#### Planning Your Charitable Donations with a Donor Advised Fund

The majority of us have a plan for retirement, for education funding, for estate planning, but how many of you have a charitable giving plan? Having an effective charitable giving plan is one of the best ways to ensure that your contributions are being used according to your wishes and as effectively as possible. A Donor Advised Fund is a simple way to incorporate charitable giving into your overall financial plan and may provide personal and financial benefits.

#### Simplify Your Giving

You are not required to select a specific charity or cause at account inception. Also, grant recommendations can be made throughout the life of your account, allowing you more time to select the organizations that meet your philanthropic goals.

#### Enjoy Immediate Tax Benefits

Your contributions are tax deductible and may benefit from tax-free growth, enabling you to simultaneously give while reducing your tax liability. And, because your gift has the potential to grow over time, you may end up being able to recommend more charitable gifts from the account.

#### Account Funding

Donor Advised Funds are generally funded with cash, publicly traded stocks, mutual funds shares and bonds. Many will also accept other gifts, such as restricted stock, illiquid securities and real estate.

#### Important Questions to Ask

Can you recommend grants and verify account activity through secure online access?

How are the investments structured within the program?

How frequently will you receive statements and notification of gifts made from the account?

#### Other Advantages of A Donor Advised Fund

Create a Giving Legacy – Designating an individual to succeed you in recommending charitable grants from the account enables your philanthropy to continue beyond your lifetime.

Grant Recognition – You decide whether to make grants anonymously or with recognition.

Cost Efficiency – Donor Advised Funds generally have lower fees and start-up expenses than other related structures such as private foundations.

#### For More Information

If you would like to learn more about Estate Planning, please write to Investments in care of:

News of Polonia  
Investments  
2245 E. Colorado Blvd. 104/177  
Pasadena, CA 91107 ☐

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Financial Advisor**



## Legal

By: **Christopher**

**Kerosky, Esq.**  
Ckerosky  
@youradwok.com

### How does one get a working visa from Canada?

#### Question:

*My family is from Canada. My brother is a computer programmer there. Can he get a working visa to come here? How does he apply?*

#### Answer:

There is a special visa for Canadians and Mexicans that gives them an advantage over applicants from other countries in obtaining such working visas. It is called the NAFTA Professional Visa or "TN" visa and it allows Canadians to come with less difficulty than persons from other countries, provided they have the required training and education. It appears that your brother would qualify if he can find a job offer in the United States.

The TN visa was created by the North America Free Trade Agreement (NAFTA) in 1994, to allow for the exchange of qualified professionals from Canada, Mexico, and the United States. Canadian citizens may apply for the TN visas at the U.S. Embassy and Consulates.

#### What do you need to prove?

An applicant needs to prove that they have a college education or the equivalent amount of education and experience.

There must also be an employer/sponsor who is willing to employ them. Mexican or Canadian applicants must work in a prearranged full-time or part-time job, for a U.S. employer. Self employment is not permitted.

The sponsor must provide a letter of employment or a contract which details the professional work that the applicant is being offered in the United States. The position must be of a "professional" as that is defined by NAFTA and the immigration regulations. The State Department and the Embassies are very strict on what is considered a "professional" degree and so it is important that the job fit their defined list of "professional jobs".

Persons whose job offer is not considered "professional" will be denied the visa.

#### What Jobs Are Considered Professional?

There is a list of jobs that are considered professional. This list includes but is not limited to the following:

accountant,  
architect,  
computer systems analyst and other computer professionals,  
doctors, dentists and other medical professions;  
economist,  
engineer,  
forester,  
graphic designer,  
hotel manager,  
industrial designer, interior designer,  
librarian,  
lawyer,  
mathematician,  
various scientists,  
social worker and  
teachers at the elementary, high school and college level.

Each of these occupations has their own degree requirements.

#### What Sort of Documentation is Required?

The application requires evidence that the applicant has the required educational qualifications and job experience. This includes a copy of the applicant's college degree and letters from previous employers showing the applicant's experience in the professional field.

*Legal - Canada visa to page 16*