

Selling your home: The tax aspects

BRIDGING FINANCIAL GAPS



EVANGELINE A. GIRON

FOR most of us, our home represents our largest asset. Over time, the management of this asset can make a big difference in our overall financial outlook. One of the largest planning opportunities home ownership brings is the favorable tax treatment afforded the sale of a primary residence.

added a bedroom, and a new roof. Your basis in the house is \$35,000 plus the cost of all of the capital improvements you have made, providing you have paperwork to verify the costs. Let's assume the total cost of those improvements over the 20 years you owned the home is \$40,000. In such a case, your basis would be \$75,000. Your capital gain would be \$235,000 minus \$75,000, or \$160,000. If you are in the 28 percent federal tax bracket or higher, your capital gain tax on your home sale would be \$32,000 unless you use the principal residence exclusion.

The primary residence exclusion

\$250,000 exclusion for single filers (\$500,000 for joint filers) is now available to all taxpayers. You can claim the exclusion once every 2 years. To be eligible, you must have owned the residence and occupied it as a principal residence for at least 2 of the 5

“To determine your profit (gain), you subtract your basis from the sale price minus all costs and commissions. For instance, if you sell a house for \$250,000, and must pay your broker 6% of the sale price—or \$15,000—our sale price for determining capital gain tax is \$235,000 (\$250,000 minus \$15,000).”

long-term capital gain rate of 15 percent (5 percent for gains in the 10 percent to 15 percent federal income tax brackets) if you owned the house for more than 12 months. Gain on the sale of a home may only be taxable to the extent it exceeds \$250,000 (\$500,000 for joint filers) if certain conditions discussed below are met.

To determine your profit (gain), you subtract your basis from the sale price minus all costs and commissions. For instance, if you sell a house for \$250,000, and must pay your broker 6 percent of the sale price—or \$15,000—your sale price for determining capital gain tax is \$235,000 (\$250,000 minus \$15,000).

Say you bought that house 20 years ago, for \$35,000. You have since redone the kitchen and bathrooms, put in new windows,

years before the sale or exchange. If you fail to meet these requirements by reason of a change in place of employment, health, or other unforeseen circumstances you can exclude the fraction of the \$250,000 (\$500,000 if married filing a joint return) equal to the fraction of 2 years that these requirements are met.

Evangeline can be reached at her marketing location at the Ground Floor of Eagle Rock Plaza (in front of Jollibee), 2700 Colorado Blvd., Los Angeles, CA 90041 or at her business address at 655 N. Central Ave., 17th Fl., Glendale, CA 91203, phone number (323) 356-3803 or (323) 254-6787.

The purpose of this article is to provide information of general interest to our clients and prospective clients. The information provided is general in nature and should not be considered complete information on any product or concept described.

(Advertising Supplement)

INSURANCE 101



MELODY AVECILLA

EACH year young people begin learning the art of driving. State Farm understands young drivers are challenged by internal and external factors as they are driving on the roadways. To help them learn more about driving, State Farm has designed the Steer Clear program to stress how experience and awareness makes a safer driver.

The Steer Clear program's

Steer clear program: State Farm young driver discount

purpose is to help young drivers be aware of their surroundings, give them insight into their driving styles, help them review their driving skills and become a more aware, stress-free driver. The completion of the Steer Clear program can result in up to a 15 percent discount on your auto insurance. Drivers under the age of 25 are eligible for the discount, and the program takes around 60 days to complete.

To begin the program, drivers must meet with their State Farm agent to receive the Steer Clear kit. After meeting with their agent, drivers must complete the

following activities provided in the kit: watch an 11-minute video, read a magazine, and complete a driver's log. In completing the Steer Clear Driver's Log, participants under age 18 must complete 30-driving trips with at least 10 supervised trips lasting a minimum of 15-minutes. Participants 18 years of age and older must complete 20-driving trips lasting a minimum of 15-minutes. Lastly, the participant must complete the quiz at the end of the driver's log.

Once a driver has completed these activities, the participant must again meet with their State

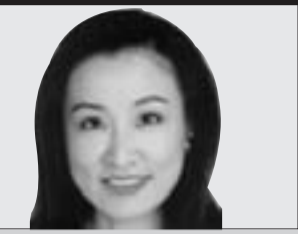
Farm agent and return their driver's log in order to apply the discount. This program was developed by State Farm to encourage young drivers to build safe and roadworthy habits that will cause them to make more responsible decisions when driving. For more information about the Steer Clear program, contact your local State Farm Agent.

If you suspect a scam, call the NICB hotline at 1-800-TEL-NICB.

For information about auto insurance and insurance fraud, contact your insurance agent.

(Advertising Supplement)

ON FENG SHUI



JENNY LIU

(Part 1 of 3)

EVERY year, we are all curious to know what is in store for us. It is always very entertaining and usually quite enlightening to consult our zodiac forecast or our Zi Wei Do Shu birth chart. Although the latter is far more detailed and accurate because it calculates over 116 stars based on our birth month, day, year, and hour, not everyone knows their birth hour. The next best thing is consulting the zodiac based on your birth year.

The following is a sneak preview of the 2009 Zodiac forecast and adjustments excerpted



Sneak Preview: 2009 Zodiac

from our new book, Guide to a Harmonious 2009.

Ox
1925, 1937, 1949, 1961, 1973, 1985, 1997, 2009

The Cautious Ox Arrives Safely

2009 is a year of challenge. Meditate, rest, and reflect. Make plans of action for the next year. Aqua and blues bring balance to the ox with the wood element during their year of challenge.



Tiger
1926, 1938, 1950, 1962, 1974, 1986, 1998

The Social Tiger Makes Many Good Friends

Happiness abounds as people with connections appear bearing gifts. Maintain humility. Wear red, pink, burgundy, and purple to activate the fire element and attract the right relationships.

Rabbit
1927, 1939, 1951, 1963, 1975,



1987, 1999

Rejuvenated Rabbits Reach the Finish Line

Meditate and garner positive energy to attract good opportunities. When things get tough, take a break! Wear green to stimulate the wood energies and attract calmness and growth.

Dragon
1928, 1940, 1952, 1964, 1976, 1988, 2000



The Balanced Dragon Does Not Fall Down

Your energy is on the rise when you keep relationships balanced and stay away from negativity. Blues, black, white, and gold keep your mind focused and balanced.

To learn more, *Guide to a Harmonious 2009* offers the full Zodiac forecast along with personal adjustments for wealth, relationships, and health. There are also suggestions of colors and gems to use and wear for creating more balance in different aspects of your life.

To top it all off, each Zodiac has a month-by-month chart of your energy level for the whole year so that you can determine the best time for doing important things such as moving, expanding, or making major changes in your life.

Jenny Liu is a fourth generation feng shui master and is available for residential and commercial consultations. To learn more, please see her website at Liu-FengShui.com, or call her at (626) 272-4901 for a free estimate. Mention this article in Asian Journal and receive a 10% discount.

Guide to a Harmonious 2009 -156 pages, full color, soft cover - on sale now for \$25 or two for \$45. To order or preview book, go to www.Liu-FengShui.com or call Julie at (626) 862-1788. Audio book format also available. Download a FREE Zodiac Scroll and see our FREE Library Seminar Calendar at Liu-FengShui.com. Join Jenny Liu for Feng Shui Tea Time: 2009 Feng Shui on Saturday January 31, 2009. For more information call Julie at (626) 862-1788.

(Advertising Supplement)

Free Lunar New Year readings from Liu Feng Shui, Inc.

ARCADIA, CA—Grand Master Chi-Jen Liu and daughters, Master Jenny and Master Julie will be at the San Gabriel Chinese New Year Celebration Festival and Parade on February 7. Join them as they celebrate the Lunar Year of the Ox by giving FREE New Year readings for the Lunar New Year of the Ox. Look for their stand with their red and yellow Liu Feng Shui banner. One question per guest only please. Come by the booth and enter to win the Liu Master's new audio book *Guide to a Harmonious 2009*.

The Liu Masters are a family team of feng shui masters who have been offering life guidance for four generations. From multi-million dollar businessman, to the homemaker, the Liu Masters provide personalized, realistic guidance based on your unique circumstances. Usually only available by appointment, this is a rare chance to meet these experienced feng shui masters.

What will 2009 hold for you? Will you keep your job? Will you meet a new love? Come to the Liu Masters for the clarity you need to get through

this gloomy economic climate. The guidance may confirm your own intuition, inspiring you to finally take positive action, or it may dissuade you from a certain path and open your mind to a new, better path.

For a free Liu-FengShui.com newsletter, or more information about the Liu Masters, see Liu-FengShui.com or call Julie Liu (626) 862-1788. For more information on the San Gabriel Chinese New Year Celebration Festival and Parade, go to Lunarnewyearparade.com. ■

West Covina Nissan honored by the West Covina Police Department

WITH only two years in full operation, West Covina Nissan has quickly proven that they are a force to reckon with when it comes to car dealership. In that short time, West Covina Nissan has satisfied customers' needs by helping them find the right vehicle for them whether they are looking for a brand new car or a pre-owned car.

And now West Covina Nissan has been given an honor which further testifies their firmability in the business. West Covina Nissan received the Excellence in Business Award during the city's 6th Annual Business Recognition Dinner in 2007, an award given to businesses which has met the high expectations of the City of West Covina. And recently West Covina Nissan received a plaque of appreciation from the West Covina Police Department for its continued support to the city and for their assistance in the big Race Sports event. West Covina Nissan helped transport participants of the said sports event from Baker, California to Las Vegas, Nevada.

So if you're getting a car don't buy anywhere without seeing West Covina Nissan. At WCNissan you will meet people who are courteous, honest and dependable to help you. Ask for Robert, Rex or the GM Mr. Dave Bhojwani. Or call 1-866-407-5697.

West Covina Nissan is located at 205 N. Citrus St., West Covina, CA 91771.

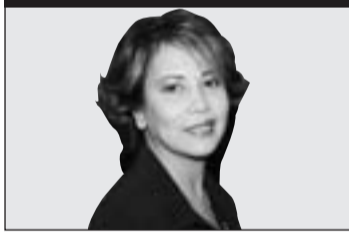


Robert (left) and Rex (right with GM Mr. Dave Bhojwani (center)



(Advertising Supplement)

CREATIVE SMILES



DR. NELLY LYN MONTILLA

A DAZZLING smile can ignite a room, projecting an image of self assurance and high personal esteem. It glows with embers of delight from an explosive source of pride. That magnificent smile is no longer a fantasy. Now it can be yours! Recent advances in techniques and materials offer modern practitioners of Aesthetic Dentistry many alternatives in the creation of brilliant smiles, bursting with energy and radiating enthusiasm. We have not yet discovered the magic wand, but we are getting closer. There are many exciting options. Since no single approach serves the needs of every patient, careful evaluation of alternative or combined approaches is essential to a pleasing and lasting result.

Porcelain veneers

Porcelain Veneers offer the most exciting and revolutionary advancement in Aesthetic Dentistry. Dynamic results can usually be achieved within a week or ten days to correct somewhat misaligned, broken, discolored or misshapen teeth. Veneers are quite suitable as an alternative to minor orthodontics, but not recommended in cases of severe crowding or misalignment of teeth.

Customarily, veneers are preferable to full crowns when there is adequate remaining tooth structure to support the restoration. The approach requires less reduction of healthy tooth structure than full crowns, without compromising the periodontal health. It is a blend of art and science that

Great smile—what's for me?

enables a skilled practitioner to achieve a sensational effect. For many patients, unhappy with their smiles, porcelain veneers may be a dream come true!

Crown & bridge dentistry

While porcelain veneers offer dazzling aesthetic results, they require adequate remaining tooth structure for their support. With a minor loss in cosmetic

still suitable in many circumstances to correct broken or misshapen teeth, but is neither as durable as porcelain veneers, nor as spectacular in addressing more complex cosmetic concerns. Once again, prudent employment of our skills yields the best and happiest endings in our quest for excellence.

Orthodontics

“It is a blend of art and science that enables a skilled practitioner to achieve a sensational effect. For many patients, unhappy with their smiles, porcelain veneers may be a dream come true!”

appeal, porcelain fused to metal crowns offer greater strength and durability than veneers. These restorations are stationary and are customarily indicated for teeth that have sustained significant loss of structure, or to replace missing teeth. Crowns and bridges may be placed on natural teeth or dental implants.

Aesthetic recontouring

In some instances, simple re-shaping of the front teeth, even without anesthesia, may produce a dramatic result to correct jagged, chipped or slightly uneven teeth. The dental sculptor becomes the maestro of art, employing sanding discs and creativity, in tandem with nature.

Bleaching

Have your teeth become darker and yellowed over the years? Dental researchers have discovered a simple, safe, and inexpensive technique to manage discolored teeth, when used in indicated circumstances. A customized tray is fabricated for the application of gentle bleaching agents at home.

Dental Bonding

Dental Bonding was one of the first and most promising techniques developed for “instant” smile enhancement. It is

Many orthodontists claim that upwards of fifty percent of their practices include adult patients. The use of clear brackets, dental insurance benefits and higher disposable income affords an opportunity for many dental patients to realize the value of adult orthodontic care, once considered elective.

Dentures

Advances in modern dental care offer more patients alternatives to losing all or most of their teeth. However, full or partial dentures are still an available option in treating dental conditions ravaged by extensive periodontal disease or tooth decay.

CREATIVE SMILES DENTAL

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The following information is provided as a general guideline. It is NOT intended in place of professional care. Since every pregnancy may vary, consult your physician or dentist for advice on your particular situation.

(Advertising Supplement)