

Taxes, loopholes and earthquakes

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Outta the Zone ... Now that April 15 is in the rear view mirror and our income tax forms are just a painful memory, an observation by Rich Benjamin of the Demos non-partisan public policy center and a USA Today contributor might prove interesting.

According to Benjamin: "America's overall effective tax rate, or the percentage of income that individual households fork over (in the form of individual, corporate, payroll and excise taxes) was 20.7 percent according to the last Congressional Budget Office calculations. The lowest-earning fifth of Americans paid 4.3 percent of their income in federal taxes, the middle 14.2 percent and the top 25.8 percent. Today these rates are lower for every bracket except the top fifth than in 1982 when President Reagan's tax cuts went into effect ... Moreover, taxes on the average single worker (personal income tax plus employer-paid taxes on the worker's behalf) are lower than in Canada, France, Germany, Italy, and the United Kingdom."

Observations like these tend to put things in perspective, although I'm betting no one reading this feels like jumping for joy. When it comes to joy jumping, however, nothing gets the spirit moving like a good old tax loophole. A group called A Better Michigan Future has recently been highlighting some sweet tax deals in our state. Remember, for every tax break given to someone or some company, someone else is financing said break (like you, me, and every other ordi-

nary taxpayer).

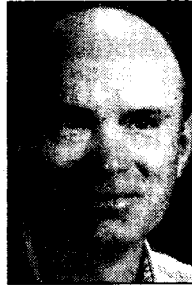
For instance, did you know that big corporations get a tax break when they call other countries, a loophole that robs Michigan of \$18 million a year. "While phone calls within Michigan and to other states are taxed, phone calls to other countries are not. The Michigan Treasury Department does not have a full explanation for the origins of this corporate handout.

What is known is that Lansing lobbyists have successfully killed efforts to close this loophole since 2005," notes ABMF.

I love this. Basically, a company could make phone calls to Mexico or China to arrange for your job to be shipped there and those calls would be (in essence) financed by taxpayers. The only call that would be on the company's dime would be the 30-second call to you to inform you that you no longer had a job.

You can see a whole bunch of other loophole dandies at www.abettermichiganfuture.org. The closure of these tax loopholes would go a long way toward solving Michigan's budget crisis.

Well, if you do have any money left after paying your taxes and financing corporate loopholes, you may want to invest in a hedge fund. I know, you're watching the Goldman Sachs fiasco and that may make you a tad nervous. Not



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to worry, even if Goldman tanks, there are still all kinds of other bankers and funds ready to steer your investments.

How about the new Centaur Galileo fund in England, which will be the first hedge fund to make bets on sports events. Basically, you invest in the fund and then they'll bet on soccer, tennis and horse racing using "a proprietary number-crunching

system" that will allow the fund to make profits from fluctuations in the odds and point spreads. And you thought soccer hooligans were out of control now.

If you don't like that sure-fire, rock-solid blue chipper, perhaps you'd rather invest in the Trend Exchange based in Los Angeles. This investment opportunity will allow movie industry participants and speculators to trade on predicted movie revenues. I'm sure you can see there's no chance for failure here because predicting if a movie is going to make money or not is really a sure thing.

Or, if you want a simpler way to "invest" your money, I would suggest the Neff Fund. For this you drive past my house, throw all your money into my yard, and simultaneously hit yourself in the head with a ball-peen hammer.

Now, if all this financial stuff is making you groggy, perhaps a walk in the sunshine might clear your head.

Watch what you wear, though, because you could cause an earthquake, particularly if you're a woman.

Iranian Shiite cleric Hojatolislam Kazem Sedighi said last week that "women who do not dress moderately and lead young men astray" increase earthquakes. This goes for seismic activity worldwide, including the volcanic eruption in Iceland. "The earthquake warnings follow complaints ... particularly about women who have doffed traditional (dress) with the arrival of spring," cites the Washington Post.

"Balderdash!" you say? How can anyone believe that a woman wearing shorts and a halter top could cause an earthquake in Tehran or even a tidal wave on Lake Cadillac?

It turns out that opponents of the current Iranian government agree with you; it's just dumb to make that ridiculous assertion. They have a far more scientific explanation. Iran's leaders with the help of the Revolutionary Guard Corps will be triggering earthquakes as a way to crack down on anti-government protesters.

OK, so now you might be laughing at the idiocy of all this pseudo-science, but stop and think for a minute. There has to be a way for us to invent a hedge fund that bets on when earthquakes will occur and gets a tax loophole to finance the thing. Something to ponder, eh?

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