

Service Above Self

THE SILVER SAGE

BULLETIN OF THE ROTARY CLUB OF SILVER CITY

Helen Shoup, Editor

Rotary
Club of Silver City



December 4, 2018

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www.silvercityrotary.org

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Officers and Directors

President:	Peter Herzberg
President-Elect:	Francisca Reyes
Secretary/Treasurer:	Linda Telaak
Immediate Past President:	Suzanne Kavanagh
Club Service:	Suzanne Kavanagh
Community Service:	James Reynolds
International Service:	Thomas Bates
New Generations:	Wendy Spurgeon
Vocational Service:	Kathy Eaton
Sgt-at-Arms:	Jim Tindall
Senior Advisor:	Leslie Bush



BE THE INSPIRATION

Schedule: Future Meetings, Service Projects, and Special Events

Date: 2018-2019	What's Happening
Tuesday, December 11	12:00 pm: Tom Bates & Peter Herzberg - International Projects
Tuesday, December 18	12:00 pm: Barbara Mora - SPIN
December 25, 2018 - January 1, 2019	12:00 pm: No Meeting
Tuesday, January 8	12:00 pm: Tanya Ortiz - CASA

Meeting Notes

President Peter Herzberg rang the bell at 12:12 pm after we had socialized for a few minutes. **Maggie Veeder** led the Pledge of Allegiance, **Wendy Spurgeon** gave the Invocation, and **Helen Shoup** led the Four-Way Test.



Guests

Taffy Arias from Gila Regional Medical Center

Jan, Rotary exchange student from Germany



Rotary Announcements

Mark Richards reminded us of the Rotary Christmas party at Bear Mountain Lodge, 6:30 for happy hour and dinner at 7. Today is the final day to sign up.

President Peter Herzberg made the following announcements:

- The 2019 RI Convention will take place in Hamburg, Germany in June. If you register before the 15th of December, you will save \$100 on the registration fee.
- Membership Models for the Future of Rotary will be held at **Sunny Kellerman's** house; **Wendy Spurgeon** will be in attendance. If interested, it will be from 5 – 6 pm on December 5.
- February 1st in El Paso, Texas, will be a Gala at the Marriot Courtyard. There will be a special Rate at the hotel (if interested, see **Sunny Kellerman** for a code). There will be a Brunch in Juarez also with **Barry Rassin**. The club will have a table. **Peter Herzberg** and Tina, **Peter Falley**, Jan, **Sunny Kellerman** and Harry, **Max and Rosie Higgs**, and **Francis Reyes** are planning to attend. If interested, please see **Sunny Kellerman** about the possibility of 2 tables.
- This is the last day to participate in Toys for Tots; please bring a new unwrapped toy to the dinner and a dessert to the Rotary Christmas Party Dessert Auction if you would like.

Peter Falley

- There will be a Foundation board meeting next week.
- We need to start worrying about the Scholarships again and a few good people will be needed hopefully with computer skills to review the applications. **Maggie Veeder**, **Helen Shoup**, **Niel McDonald**, and **Tom Bates** volunteered to help!

Linda Telaak reminded us that there will be a Rotary Election on December 18th.

Special Presentation

Jan gave us his weekly update. He spent a few days with **Sunny Kellerman** at the Rotary District 5520 Youth Exchange Winter Weekend with 10 inbound students and 13 potential outbound candidates, went bowling, talked to the exchange students, attended a gravity park (trampoline center), along with 2 exciting 6-hour car rides (his favorite part). On Monday he joined preseason track where he runs about 30 minutes and his knee hurts. He is looking forward to track. On Saturday he will be moving in with **Sunny** and Harry!



Non-Rotary Announcements

Wendy Spurgeon talked about the play "Deathtrap" at Silver High School this Friday at 7:30, Saturday at 2 and 7:30, and Sunday at 2. Tickets are available at Vicki's and Morning Star, \$8 in advance or \$10 at the door.



Cynthia Bettison was notified she has been selected and appointed to the Cultural Affairs sub group for Governor-Elect Michelle Lujan Grisham's Economic Growth Transition Team. **Cynthia** is the third person from WMNU to be selected for a transition team.

Brags and/or Happy Dollars

Peter Herzberg and Tina closed on a house in Durango, Colorado, a vacation home, and will be in Guatemala for a week on December 28.

Kate Watson told us she wasn't here last week because she had her 6-month appointment with her oncologist and she is fine!!!

Program

William Knuttinen left handouts on every table that you can take home. The topic is Tax Cuts and Jobs Act. Tax rates are attached to the handout (see attachment).

Reminder: Do not respond to telephone scams! The IRS will NOT contact anyone other than through regular stamped mail.

Raffle

Tom Bates won the raffle.

Attendance

We had 20 of 30 active members in attendance, or 67%.

Gallery



Kate Watson Peter Falley



Maggie Veeder



Jim Tindall



Tom Bates

Peter Herzberg



Jack Herndon



Carlos Lucero



Jim Callender

Jan



Mark Richard

Sunny Kellerman



Sunny Kellerman

Paul Moore

TAX CUTS AND JOBS ACT

(mostly beginning 1/1/18 and sunseting after 12/31/2025)

- Individual Tax Rates
- Capital Gains Rate
- Increase in Standard deduction
 - a) \$24,000 married filing joint
 - b) \$18,000 head of household
 - c) \$12,000 single
- Itemized Deductions
 - a) Repeal of the limitation of itemized deductions
 - b) Home mortgage interest (up to \$750,000 loan)
 - c) Repeal of Casualty, theft, disaster loss deductions (only if declared a disaster by the President)
 - d) Wagering losses (still only up to winnings, but now expenses incurred in gambling, ie traveling to and from a casino)
 - e) Charitable contributions (cash contributions limit increase to 60% versus 50%)
 - f) Miscellaneous itemized deductions subject to the 2% floor (no longer deductible)
 - g) Medical (must exceed 10% of AGI)
 - h) SALT (state and local taxes limited to \$10,000)
- Repeal of the deduction for personal exemptions
- Enhancement of child tax credit and the new family credit
 - a) Child tax credit increased to \$2,000 of which \$1,400 is refundable
 - b) \$500 nonrefundable credit for qualifying dependents other than qualifying children
 - c) Phaseout limitations increased to \$400,00 MFJ and \$200,000 single from \$110,000 and \$55,000, respectively
- Consolidation and modification of education savings rules
 - a) Section 529 plans in total can distribute \$10,000 for tuition
 - b) Tuition can now be for elementary and secondary schools
- Alimony (no longer income or deductible if start date after 12/31/18)
- Moving expenses (no longer deductible unless reimbursed)
- Estate, Gift and GST tax (exclusion amount increased from \$5 million to \$10 million and indexed for inflation)
- Alternative Minimum Tax (Amt exemption increased to \$109,400 for MFJ)
- Affordable Care Act (Elimination of requirement of Health Insurance)

BUSINESS ITEMS

- C-Corporation tax rate now 21%
- Bonus depreciation
 - a) Currently at 100%
 - b) Phases out to 20% in 2026
 - c) Now includes "used" purchases if not previously used by purchaser
- Listed Property rates increased (\$10,000 1st year, \$16,000 2nd year, \$9,600 3rd year, \$5,760 after that)
- Section 179 depreciation
 - a) Maximum limit is \$1 million
 - b) Phase out begins at \$2.5 million
- Section 199a Deduction
 - a) 20% deduction off of net profit of business

I. Tax rates

The new law temporarily replaces the existing tax rate structure with a new rate structure for individual taxpayers, which contains seven brackets ranging from 10 percent to 37 percent. The new law retains the filing statuses available to taxpayers under current law, which are as follows:

- Single.
- Married filing jointly.
- Married filing separately.
- Head of household.
- Qualifying widow(er) with dependent child.

A. Individual tax rates

The new individual tax rates for 2018 appear below:

1. Single individuals

If taxable income is:	Then income tax equals:
Not over \$9,525	10% of the taxable income
Over \$9,525 but not over \$38,700	\$952.50 plus 12% of the excess over \$9,525
Over \$38,700 but not over \$82,500	\$4,453.50 plus 22% of the excess over \$38,700
Over \$82,500 but not over \$157,500	\$14,089.50 plus 24% of the excess over \$82,500
Over \$157,500 but not over \$200,000	\$32,089.50 plus 32% of the excess over \$157,500
Over \$200,000 but not over \$500,000	\$45,689.50 plus 35% of the excess over \$200,000
Over \$500,000	\$150,689.50 plus 37% of the excess over \$500,000

2. Heads of households

If taxable income is:	Then income tax equals:
Not over \$13,600	10% of the taxable income
Over \$13,600 but not over \$51,800	\$1,360 plus 12% of the excess over \$13,600
Over \$51,800 but not over \$82,500	\$5,944 plus 22% of the excess over \$51,800
Over \$82,500 but not over \$157,500	\$12,698 plus 24% of the excess over \$82,500
Over \$157,500 but not over \$200,000	\$30,698 plus 32% of the excess over \$157,500
Over \$200,000 but not over \$500,000	\$44,298 plus 35% of the excess over \$200,000
Over \$500,000	\$149,298 plus 37% of the excess over \$500,000

3. Married individuals filing joint returns and surviving spouses

If taxable income is:	Then income tax equals:
Not over \$19,050	10% of the taxable income
Over \$19,050 but not over \$77,400	\$1,905 plus 12% of the excess over \$19,050
Over \$77,400 but not over \$165,000	\$8,907 plus 22% of the excess over \$77,400
Over \$165,000 but not over \$315,000	\$28,179 plus 24% of the excess over \$165,000
Over \$315,000 but not over \$400,000	\$64,179 plus 32% of the excess over \$315,000
Over \$400,000 but not over \$600,000	\$91,379 plus 35% of the excess over \$400,000
Over \$600,000	\$161,379 plus 37% of the excess over \$600,000

4. Married individuals filing separate returns

If taxable income is:	Then income tax equals:
Not over \$9,525	10% of the taxable income
Over \$9,525 but not over \$38,700	\$952.50 plus 12% of the excess over \$9,525
Over \$38,700 but not over \$82,500	\$4,453.50 plus 22% of the excess over \$38,700
Over \$82,500 but not over \$157,500	\$14,089.50 plus 24% of the excess over \$82,500
Over \$157,500 but not over \$200,000	\$32,089.50 plus 32% of the excess over \$157,500
Over \$200,000 but not over \$300,000	\$45,689.50 plus 35% of the excess over \$200,000
Over \$300,000	\$80,689.50 plus 37% of the excess over \$300,000

5. Estates and trusts

If taxable income is:	Then income tax equals:
Not over \$2,550	10% of the taxable income
Over \$2,550 but not over \$9,150	\$255 plus 24% of the excess over \$2,550
Over \$9,150 but not over \$12,500	\$1,839 plus 35% of the excess over \$9,150
Over \$12,500	\$3,011.50 plus 37% of the excess over \$12,500

This rate structure does not apply to taxable years beginning after December 31, 2025. The new law did not follow the House bill in phasing out the benefit of the 12-percent bracket for taxpayers with adjusted gross income in excess of \$1,000,000 (\$1,200,000 in the case of married taxpayers filing jointly).

B. Rates regarding gains

The new bill retains the present-law maximum rates on net capital gains and qualified dividends (0%, 15%, and 20%) and leaves the 3.8% net investment income tax unchanged. The breakpoints between the zero- and 15-percent rates and the 15- and 20-percent rates are based on the same amounts as the breakpoints under present law, except the breakpoints are indexed using the Chained CPI-U (discussed later in the materials) in taxable years beginning after 2017.

Filing status: Single Married filing jointly Married filing separately Head of household Qualifying widow(er)

Your first name and initial Last name Your social security number

Your standard deduction: Someone can claim you as a dependent You were born before January 2, 1954 You are ill

If joint return, spouse's first name and initial Last name Spouse's social security number

Spouse standard deduction: Someone can claim your spouse as a dependent Spouse was born before January 2, 1954 Spouse is blind Spouse is blind Spouse is blind Spouse is blind

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule B.

Table with 5 columns: (1) First name, (2) Last name, (3) Social security number, (4) Relationship to you, (5) Date of birth. Includes a 'Dependents' section header.

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature Date Your occupation Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Paid Preparer Use Only

Preparer's name Preparer's signature PTIN Firm's EIN Firm's name Firm's address Phone no. Check if: 3rd Party Designee Self-employed

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.

Standard Deduction for:
 • Single or married filing separately, \$12,000.
 • Married filing jointly or Qualifying widow(er), \$24,000.
 • Head of household, \$18,000.
 If you checked any box under Standard deduction, see instructions.

1	Wages, salaries, tips, etc. Attach Form(s) W-2				
2a	Tax-exempt interest	2a			
3a	Qualified dividends	3a			
4a	IRAs, pensions, and annuities	4a			
5a	Social security benefits	5a			
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22.				
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6.				
8	Standard deduction or itemized deductions (from Schedule 1)				
9	Qualified business income deduction (see instructions)				
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-				
11	a Tax (see inst.) (check if any from: 1 <input type="checkbox"/> Form(s) 9814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)				
	b Add any amount from Schedule 2 and check here <input type="checkbox"/>				
12	a Child tax credit/credit for other dependents				
	b Add any amount from Schedule 3 and check here <input type="checkbox"/>				
13	Subtract line 12 from line 11. If zero or less, enter -0-				
14	Other taxes. Attach Schedule 1				
15	Total tax. Add lines 13 and 14				
16	Federal income tax withheld from Forms W-2 and 1099				
17	Refundable credits: a EIC (see inst.) b Sch 8812 c Form 8863				
	d Add any amount from Schedule 5				
18	Add lines 16 and 17. These are your total payments				
19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid.				
20a	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>				
	b Routing number				
	d Account number				
	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings				
21	Amount of line 19 you want applied to your 2019 estimated tax	21			
Amount You Owe	22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions				
23	Estimated tax penalty (see instructions)	23			

DRAFTS OF
 FORMS OF
 1040, 2019
 DON'T FILE

Go to www.irs.gov/Form1040 for instructions and the latest information.

Form 1040-2019

Additional Income and Adjustments to Income

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1040.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

2018
Attachment
Sequence No. 01

Name(s) shown on Form 1040

Your social security number

Additional Income

1-9b Reserved

13 Taxable refunds, credits, or offsets of state and local income taxes
Already received

14 Business income or (loss). Attach Schedule C or C-EZ
Capital gain or (loss). Attach schedule D if required. If not required, check here

14 Other gains or (losses). Attach Form 4797

15a Reserved

16a Reserved

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Reserved

21 Other income. List type and amount

22 Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on form 1040, line 8. Otherwise, go to line 23

DRAFT AS OF JULY 31, 2018 DO NOT FILL

1-9b	
14	
15b	
16	
18	
19	
20b	
21	
22	

Adjustments to Income

23 Educator expenses

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106

25 Health savings account deduction. Attach Form 8889

26 Moving expenses for members of the Armed Forces. Attach Form 3903

27 Deductible part of self-employment tax. Attach Schedule SE

28 Self-employed SEP, SIMPLE, and qualified plans

29 Self-employed health insurance deduction

30 Penalty on early withdrawal of savings

31a Alimony paid b Recipient's SSN ▶

32 IRA deduction

33 Student loan interest deduction

34 Reserved

35 Reserved

36 Add lines 23 through 35

23	
24	
25	
26	
27	
28	
29	
30	
31a	
32	
33	
34	
35	

36