

## Tax Cut Updates

Although the new tax cuts will put extra money in America's pockets, many financial planners advise to not view the cuts as a reason to change financial plans... primarily because the tax measure has expiration dates. Some financial experts see the tax breaks as a short-term windfall. *Here's a summary of the changes:*

### Rate Reductions:

The 10% tax bracket is expanded and will reduce annual taxes up to \$50 for single filers and \$100 for married filers. For the upper tax brackets, the 27% is reduced to 25%; 30% is reduced to 28%; 35% is reduced to 33%; and 38.6% is reduced to 35%.

### Marriage Penalty:

The standard deduction for married filers goes from \$7,950 to \$9,500 (twice the single taxpayer deduction).

### Dividends and Capital Gains:

Qualifying dividends and capital gains will both be taxed at 15% with the exception that filers in the 10% and 15% tax brackets will be taxed at 5% - they will pay no tax on capital gains or dividends in year 2008.

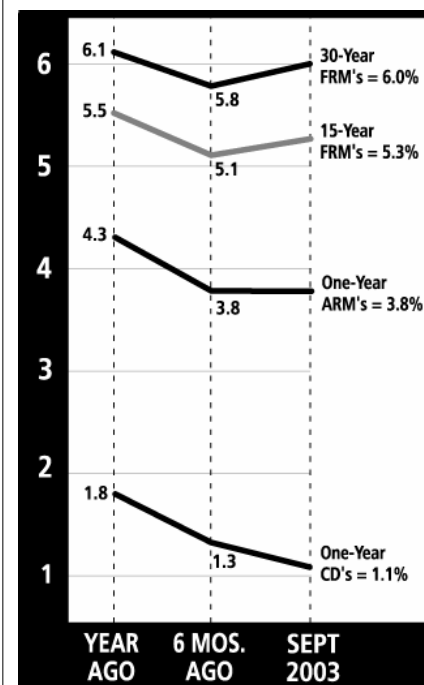
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## Key Interest Rates At A Glance

*Rate trends over the past year.*



FRM = Fixed Rate Mortgage  
ARM = Adjustable Rate Mortgage

*“When you get into a tight place and it seems you just can't go on, hold on, for that's just the place and the time that the tide will turn.”*

*—Harriet Beecher Stowe*



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## Tax Cut Updates

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### Child Credits:

For children under 17 the child credit increases from \$600 to \$1,000 per child. This credit is phased out for adjusted gross incomes of \$75,000 for single filers and \$110,000 for married filers.

There are sunset provisions to the tax breaks and all will expire over the next few years unless congress votes to extend them. Some of the breaks expire at the end of 2004, others at the end of 2008 while the rate reductions are scheduled to expire at the end of year 2010.

—Rodney R. Watkins  
Certified Public Accountant

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## PLUS Loans For College

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The  
Parent Loan  
for

Undergraduate Students (PLUS) is a federal loan program for parents of college students. You can borrow up to the amount of college expenses regardless of income. The loans are available year-round. The interest rate on federal PLUS loans is adjusted every July 1 based on Treasury Bill rates (as of July, 2003 the interest rate is a record low of

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## Checked Bags and Security

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The Transportation Security Administration (TSA) is responsible for screening all checked bags before being loaded onto planes. TSA has the following tips for travelers:

- **Don't lock bags**—locked bags may be forced open by screeners. Use temporary seals or cable ties.
- **Don't over-stuff bags**—screeners can more easily search and close them.
- **Don't pack film in checked bags**—new screening machines can damage film. If your bag is searched, TSA agents are supposed to close it with a plastic seal with a notice inside saying it has been searched.

For other tips go to [www.tsa.gov](http://www.tsa.gov). For complaints, you can call the TSA Contact Service at **866-289-9673**.

Also, there are web sites that provide news and advice on security issues for travel. Here are two:

U.S. State Department -  
[www.travel.state.gov](http://www.travel.state.gov) –

Provides travel warnings and cautions for U.S. travelers.

I Jet Travel Intelligence -  
[www.ijet.com](http://www.ijet.com) – Focuses on a variety of informative reports for a fee.

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## Home Storage

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It is estimated that the average home has at least 150 square feet of empty storage space beneath stairs or in unfinished attics—not to mention wall space, ceilings and basements. Also, it's space you've already paid for. So, before you start looking for a rental storage service, consider the numerous choices of home storage systems or a home improvement professional.

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## Windows On Your House

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Window replacement can be a key to giving a house a facelift. In addition to improving its looks, new windows can make a house more comfortable and energy efficient. Among the best reasons for replacing windows (besides a new look) are where you have windows that allow a draft, have any condensation, show frame deterioration or are difficult to open or close. Replacement can save on heating and cooling costs. There are a variety of styles and colors for the interior and exterior framing and trim.

Leave the installation to experts—it is typically covered in the cost and warranty. Be sure to shop and compare estimates. There is an Energy Star Rating by The National Fenestration Registration Council that certifies how well windows work. Also, the Efficient Windows Collaborative has a web site [www.efficientwindows.org](http://www.efficientwindows.org) that features types of generic window products and calculates energy with cost comparisons.

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## Health and Hiking

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The American Hiking Society is the only non-profit hiking society dedicated to establishing and maintaining America's foot trails. Hiking has become more of a year-round activity. Our national parks and forests contain nearly 150,000 miles of trails and there are thousands more state/local trails.

The American Heart Association estimates that a person can burn over 200 calories an hour while hiking at a 2 mile-per-hour pace. With a backpack, hill climbing and increased speed you will burn even more calories.

*Some web sites that can help you locate trails, download maps and find hiking clubs and events are:*

**www.americanhiking.org** and **www.trails.com**.

### Hiking tips

Check the weather forecast before going; wear sturdy, well-fitting shoes; hike with a companion; let the slowest person in the group lead (especially with kids); apply sunscreen often; take plenty of water (and snacks); leave an itinerary with someone; always log in at trail entrances; and start with an easy hike and work your way up.



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## Kids (and Adult) Safety

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According to the United States Consumer Product Safety Commission, over 25,000 people are treated each year for skateboard-related injuries. Sixty percent of them are under the age of fifteen. Here are some safety tips for skateboarders:

- Never ride in the street.
- Wear protective gear such as a helmet, knee pads and elbow pads.
- Fall properly such as... if losing balance, crouch down to reduce how far you may fall; if falling, roll rather than absorb the force with your arms; while riding, be relaxed as opposed to stiffening your body.

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## Health Resources Online

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Here are three informative health-guide sources, with brief descriptions, that are available on the web:

- The American Heart Association has a patient profiler on coronary artery disease and information on cholesterol at **www.americanheart.org**
- The Healthy People 2010 can tell you about current health goals and ways to reach them at **www.health.gov/healthypeople**
- The Food and Drug Administration provides a consumer newsletter on new medicines and FDA actions at **www.FDA.gov**

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## Sources of Identity Theft

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Some sources of identity theft are more prevalent than others. According to government and business data, information leading to identity theft was obtained from the following sources:

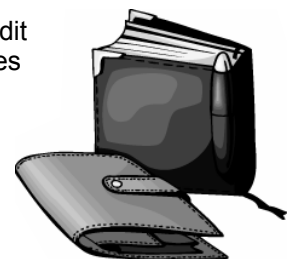
- Forged credit cards - 34%
  - Stolen papers/computer records - 12%
  - Stolen wallets/purses - 11%
  - Phony charged accounts - 10%
  - Stolen mail - 7%
  - Lost wallets/purses - 5%
  - Public Records - 4%
  - Faked ID's - 3%
  - Other - 23%
- (Total exceeds 100% due to multiple responses)*

### Avoiding identity theft

- Be careful with your social security number.
- Photocopy both sides of your wallet's critical information - social security card, credit cards, and driver's license.
- Shred old checks, credit cards and other financial records.
- Reconcile credit card and bank statements promptly and report questionable activity.

If you lose your wallet or purse file a police report and call the credit card companies, credit rating companies and the Social Security

Administration (1-800-269-0271) to put a fraud alert on your name and social security number.



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# Home Decorating Tips

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The home interior design experts say that, in today's world, it's hard to make a mistake in today's home decorating environment.

Carolyn Sollis, editor of House Beautiful, advises to "strive for quality... buy the best you can afford, get a great paint job, get a great upholstery job and have fun with small things... change accessories, change the mood of your lighting... experiment. Rooms should be very personal and comfortable... rooms are to be lived in, not displayed."

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# Clearing Home Clutter

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Donna Smallin, author of *Cleaning Plain & Simple*, suggests organizing one room at a time – go through closets, drawers, shelves and determine what you can get rid of... everything should go into one of five piles:

- 1) Things you love and/or hate;
- 2) Things you could give to someone else;
- 3) Things that belong in the trash;
- 4) Things that you could sell;
- 5) Things that belong elsewhere;

Once this is done, evaluate your space as to how you are using your rooms and look for storage solutions.



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