

TALKING TAXES

One final deduction

Contribute to IRA by April 18 and deduct in 2010

By the time you sit down to prepare your 2010 tax returns, there's not much you can do in the way of tax planning. The year is over, right? Well, not necessarily.

With rare exception, individuals are on a cash basis method of accounting. That means they report only income they actually receive during the year, and deduct only expenses they actually pay during the year. However, there is one very noticeable exception — IRA contributions.

You actually have until the filing deadline for your tax returns (April 18 this year) to make a contribution to an IRA account. By doing so, you get to deduct the IRA contribution on your 2010 tax return. This is a very rare exception to the cash basis of accounting, and is a great tool to lower your taxes even after the year is over.

Note that April 18th is the absolute deadline for making the contribution. So even if you place your returns on extension to October 17th, the IRA contribution must be made by April 18th.

Not everyone is qualified to make an IRA contribution. To begin with, you must have earned income. Earned in-



sabby jonathan
talking taxes

come is generally wages or earnings from self-employment. Also, you must be under the age of 70½ by the end of the year.

Assuming you qualify, the amount of contribution that is deductible depends on whether you or your spouse is an active participant. An active participant is someone that is covered by an employer-maintained retirement plan.

If neither you nor your spouse is an active participant, then each of you can contribute up to the lesser of \$5,000 or your earned income. If you were at least 50 years old by the end of 2010, then the maximum is \$6,000. So potentially, for a married couple, that can be a \$12,000 deduction.

If you are an active participant, it may not be over for you just yet. If your Adjusted

Gross Income (AGI) is below the "applicable dollar limit," you will still qualify for making a deductible IRA contribution, even if you are covered by a plan at work.

For 2010, the applicable dollar limit for a married couple is \$89,000 (\$56,000 if you're single). Below this point, active participants can still make deductible IRA contributions. The deduction is phased out, however, and is disallowed completely at AGI of \$109,000 for joint filers (\$66,000 for single filers).

There is also a special break for married taxpayers. Subject to the deduction phase-out rules discussed above, each spouse can make deductible contributions to their own separate IRA accounts, even when only one spouse has earned income. So, for example, if one spouse had wages of \$15,000, and the other spouse had no wages, each spouse can still contribute up to \$5,000 (\$6,000 if over the age of 50) to their own separate IRA account.

As you can see, all these rules can get somewhat confusing. For more help, go to www.irs.gov, and download Publication 590 – Individual Retirement Arrangements (IRAs).

BUSINESS CALENDAR

feb. 15

Rancho Mirage Chamber mixer, open to the public. 5:30-7:30 p.m., Rancho Mirage Plaza, 71550-71650 Highway 111, Rancho Mirage. \$5-\$10. (760) 568-9351 or www.RanchoMirage.org

feb. 23

Palm Desert City and Chamber luncheon, 11:30 a.m., Desert Willow Golf Resort, 38995 Desert Willow Drive, Palm Desert. \$50-\$75. (760) 346-6111 or www.pdcc.org

march 2

ADDY Awards sneak preview, 5:30 p.m., Kaminsky Productions, 68905 Vista Chino, Cathedral City. \$25-\$30. (760) 325-2882 or www.desertadfed.com

march 11

2011 ADDY Awards Gala, with pets for adoption, drinks and dinner. RSVP by March 3. 6 p.m., The Show at Agua Caliente Casino Resort Spa, 32-250 Bob Hope Drive, Rancho Mirage. \$125-\$150. (760) 325-2882 or www.DesertAdFed.com

Submit calendar event information at least two weeks in advance to www.mydesert.com/calendar

GIVING BACK

Zumba is good will and health

BY NINA RONDA

The Desert Sun

In this weekly feature, The Desert Sun spotlights valley firms performing good deeds.

Here the focus is on a dance and fitness company helping to provide scholarships to local graduating high school students.

Zumba room

Lisa Dunlop, president of Zumba Coachella Valley, recently presented a \$750 scholarship grant to The Ophelia Project from proceeds raised at a Zumba master class.

The grant was matched by Pathways to Success, resulting in a \$1,500 scholarship to be awarded to a graduating Ophelia girl at the scholarship luncheon on May 12.

"I'm very excited that girls of the Ophelia Project will benefit from the high energy and positive excitement of our local Zumba community," said Dunlop, who also is a Zumba instructor and choreographer.

Zumba Coachella Valley promotes health and fitness for all ages through Zumba, a blending of dance movements to a variety of Latin music.

In keeping with the original vision of the creator of Zumba, this unique fitness platform fosters the spirit of good will and good health.

Dunlop also offered a one-time Zumba class to the Ophelia girls at the beginning of the school year to help generate the excitement of being in Ophelia.

Additionally, Zumba Coachella Valley donated 100 percent of the proceeds from a master class held in November to the Family YMCA of the Desert.

The Ophelia Project, a program of Healthy Family Foundation, is a mentoring program for teenage girls designed to encourage them to finish school, pursue higher education, and be aware of a variety of career options.

Several local sponsors and scholarship donors will join more than 200 Ophelia girls from Indio High, Shadow Hills High, Indio Middle and Thomas Jefferson Middle schools for the annual luncheon event.

Last year, \$10,000 was given in scholarships to graduating senior Ophelia Girls.

Healthy Family Foundation is a local nonprofit group in Palm Desert dedicated to promoting health and wellness for children and families in Coachella Valley.

Information:

■ Zumba Coachella Valley, www.zumbacoachellavalley.com

■ Healthy Family Foundation, 73-555 San Geronio Way, Palm Desert. (760) 776-1600.

What is your business doing to give back to the Coachella Valley? Share your thoughts with us by e-mailing [Nina Ronda at \[nina.ronda@thedesertsun.com\]\(mailto:Nina.Ronda@thedesertsun.com\)](mailto:Nina.Ronda@thedesertsun.com) for our feature The Business of Giving Back.

Knitting is for Ewe and Me because it's just fun

BY KATHY STRONG

Special to The Desert Sun

Eunice, Eugenia and Euphoria, the Ewe 'n Me life-sized mascots, are just one indication you have stepped into the welcoming, new La Quinta knitting emporium.

Owner Pam Campbell and husband Jim converted the nearly 1,600-square-foot shell in the Costco center into an inviting spot for knitters, novice and experienced, to relax and learn new techniques.

"My husband, Jim, a design consultant, designed the entire store," Campbell said. "His art, his colors are all over the store. ... He had the huge photos of ewes blown up digitally. ... Jim's paintings line the walls."

A sitting nook with ruby walls and a matching sofa is a spot for a private retreat or for visiting spouses. The long center table for knitters was lacquered and stained and overhung with a beaded chandelier. A small room for one-on-one private instruction is also available. Even the bathroom is exceptional.

"This is a lady's bathroom," Campbell said. "It has copper and brass plating and glass iridescent tile."

Campbell points out that the walls, covered in bins of brightly dyed yarn, are practical as well.

"We organized the store like a library, in alphabetical order by manufacturer," Campbell said. "We put all the yarn away at the end of the day, just like a library. ... We keep needles in an old Dewey decimal file."

The store, which opened Dec. 1, is filling a void left by the closing of another knitting business in La Quinta. Campbell had retired from 25 years in the title business and "did not know what to do with my time."

She spotted the former knitting store and asked her husband for instructions for a gift, which she says turned into a "very costly gift" after she became enamored with knitting and wanted a shop of her own.

"I had never knitted before in my life," said Campbell, who claims it is an addictive passion. "I met Lorita (Krajewski) who was an instructor there. ... Lorita was my teacher and my mentor, and I knew I would not open the

store without her."

Krajewski, who is the store manager, had owned a store in the past and sees customers here from South Lake Tahoe.

"I've never met a person I couldn't teach," Krajewski said. "Some just take longer. If you're not having fun knitting, there is something wrong."

Krajewski sees the new Ewe 'n Me as a sanctuary for young and old, as well as men. And Campbell agrees.

"My mission is to provide an inviting environment ... a place to learn to knit, to purchase their yarns and to nurture their creativity."

Ewe 'n Me will be hosting a "coming-out party" from noon to 3 p.m. Jan. 16 with wine, cheese, yarns and "tall tales."

QUESTION: Why did you choose this business?

CAMPBELL: Knitting is an addictive passion. Creating the business was a passion as well. It turned out more beautiful and functional than I anticipated.

KRAJEWSKI: I am a retired RN, and one of the things that kept me sane working in the ER and OR was knitting. When I retired, I opened my own store in Tahoe. Just like here, there was a need.

What makes your business special in the valley?

CAMPBELL: The organization and the total ambience.

KRAJEWSKI: The camaraderie of knitters. A lot of our customers turn off their cell phones or ignore them. They cherish their quiet time.

How do you enjoy your time away from work?

CAMPBELL: My husband and I used to travel. He is originally from Chile.

KRAJEWSKI: I knit and create new designs. I like to find unique designs for sweaters with colors and patterns. ... I get bored very easily, so I will have multiple projects going at once.

YOUR BUSINESS YOUR NEWS

Realtor of the Year and barbecue The Cowboy Way

job changes

Debbi Hinton has joined the **Annenberg Foundation Trust at Sunnylands** in Rancho Mirage as chief financial and administrative officer. Formerly, Hinton was executive vice president and chief financial officer for Los Angeles public television station KCET.

Robin Calder has been promoted to senior vice president at Desert Commercial Bank in Palm Desert. Calder, who has served as vice president/branch manager of the Palm Desert-based community bank for the past four years, will maintain those responsibilities as part of his new position.

The Regional Access Project Foundation has announced the following officers to serve on its board of directors for the 2011-13 term:

- **Mary Roche**, chairperson
- **Joe Hayes**, vice chairperson
- **Mark Mora**, secretary
- **Jan Pye**, treasurer

RAP Foundation also announced the addition of **Gloria Gomez** to the board. The RAP Foundation provides funding, oversight, technical assistance and guidance to nonprofit, community-based organizations.

openings & movings

The Cowboy Way barbecue restaurant has relocated to a larger facility at 2000 N. Palm Canyon Drive in Palm Springs. Information: (760) 325-8400

Rio Azul Mexican Bar & Grill has opened at 350 S. Indian Canyon in Palm Springs. Executive chef **Ernesto Gastelum** offers traditional Mexican cuisine, a specialty tableside guacamole appetizer and unique cocktails. Information: (760) 774-7178

Ritz at Barkingham Palace has opened at 34-550 Spyder Circle in Palm Desert. The pet hotel and spa offers furnished rooms with TVs, a doggie park, heated swimming pool, spa treatments and a gym.



JAY CALDERON THE DESERT SUN

Here are a few of the selections at The Cowboy Way in downtown Palm Springs.

recognition

The California Desert Association of Realtors named **Diane Busch**, branch manager of Coldwell La Quinta, as the **Realtor of the Year**. Busch, a real estate professional for more than 15 years, has been active on committees at the California Desert Association of Realtors and with Women's Council of Realtors since 2004. Additionally, **Don Rossignol** of Windermere Realty received the **Realtor Special Recognition** award; **Vikki Schultz**, of Schultz Property Inspection, was honored as **Affiliate of the Year**; **Bryan Ozur**, of American Home Shield, received the **Affiliate Special Recognition** award.

Visiting Nurse Association of the Inland Counties has been recognized as a national partner of "We Honor Veterans" campaign. The campaign was developed by the National Hospice and Palliative Care Organization in collaboration with the Department of Veterans Affairs.

Edward Jones, a national financial-services firm with an office in Palm Desert, has ranked No. 11 on Fortune magazine's "100 Best Companies to Work For 2011" list. This is their 12th appearance on the prestigious list.

Solar energy and jobs tied to transmission lines

BY K KAUFMANN

The Desert Sun

Building new electric transmission lines in the California desert will be critical to bringing solar energy projects and new jobs to the Coachella Valley — and realizing the region's potential as a major hub for renewable energy development.

The thorny questions surrounding transmission — how much will be needed, where to put it and how to minimize environmental impacts — will be the focus of a free workshop to be held from 7:30 to 11 a.m. Thursday at UC Riverside's

Palm Desert campus.

"The transmission infrastructure in place now doesn't accommodate the scale and scope of the (solar) development that's going to happen," said Bob Hargreaves, a leader of the Coachella Valley Economic Partnership's Renewable Energy Roundtable, which is sponsoring the event.

"We're trying to engage in a proactive effort to get the issues on the table so we can see if there are things this community can do and the roundtable can do to facilitate orderly transmission development," he

said.

CVEP officials have identified renewable energy and green technology as core sectors for diversifying the valley's economy.

Speakers scheduled to appear at the workshop include Roger Johnson, a transmission corridor manager with the California Energy Commission; Gale Barton and Ray Juarez from the Riverside County Planning Department; and Gary Holdsworth, Southern California Edison's manager of transmission.

The lack of adequate trans-

mission capacity emerged as a key issue in a recent federal study on potential solar development on public land east of the Coachella Valley.

The existing 500-kilovolt transmission line along Interstate 10 may only be able to handle about 700 megawatts of power, the report said. But projects that could generate about 1,250 megawatts have already been approved for the area and more are in the pipeline.

Environmental and community groups in the area have raised concerns about building transmission lines across sen-

sitive desert areas.

Local opposition killed the Los Angeles Department of Water and Power's controversial Green Path North transmission project last year.

The project would have taken solar and geothermal energy produced in the desert and sent it to Los Angeles via 80 miles of power lines cutting through Desert Hot Springs, the Big Morongo Canyon Preserve and other open spaces in the high desert.

Getting the region's business and environmental stakeholders around the table is essential,

Hargreaves said.

"We're surrounded by some of the biggest, best renewable energy resources in the world," he said, referring to the valley's sun, wind and geothermal assets. "But we've got to get the energy from eastern Riverside County and Imperial County over to the coast."

"We don't want to miss out on the opportunity."

K Kaufmann covers energy and green technology, retail, health care and agriculture for The Desert Sun. She can be reached at kkaufmann@thedesertsun.com or (760) 778-4622.