

Spring Potpourri

Resolute Mediation & Arbitration Inc.



Jim & Sue's Hypothetical Divorce: Chapter 1

Jim and Sue have agreed upon a private mediator and are about to meet with him for the first time. They are both nervous and are unsure of what to expect. Being that things have been troublesome, they have both developed unofficial game plans which they have not shared with one another.

The only items they have discussed is their children and their home. Both parents are fearful of their future finances as well as the effect the divorce will have on the kids.

When they finally meet with the mediator, the mediator suggests they look into Collaborative Law as a way to successfully address their concerns.

The mediator explains that it is a process in which attorneys act as advocates for their clients, counselors provide mental health support, and financial planners assist in the implementation of new family budgets. By not focusing on litigation, the parties and all who are involved are able to provide the family with a new, healthy foundation for living.

Expanded Tax Breaks for First Time Home Buyers

There is a lot of buzz lately regarding the "new" First-Time Homebuyer credit. I say new because the definition and qualifications changed once again on February 25, 2009 with The American Recovery and Reinvestment Act of 2009; differing from the 2008 version which approved a credit for first-time homebuyers of up to \$7,500.

This credit was originally for purchases made after April 8, 2008 and before July 1, 2009. However, this credit was to be repaid over a 15 year period unless the home was sold and the remaining balance would be paid on your tax return for the year of sale.

Although the 2008 purchase dates changed to after April 8, 2008 and before January 1, 2009, qualifying under this ruling still required the credit to be repaid.

What changed and who qualifies?

The "new" first-time" homebuyer credit can now be as much as \$8,000. This is for purchases made during 2009, before December 1, 2009. Only the purchase of your main home located in the United States qualifies. You and your spouse, if married, could not have owned any other home during the 3-year period ending on the date of purchase. This "new" credit does not need to be repaid so long as you remain in the home 36 months after the purchase date.

The credit is 10% of the purchase price up to \$8,000. Remember, the amount of the credit begins to phase out for taxpayers whose modified adjusted gross income is between \$75,000-\$95,000 or \$150,000-\$170,000 for joint filers.

How is the credit claimed on my return?

Use IRS Form 5405 to calculate and claim your credit. You DO have the option of claiming the credit on your 2008 or 2009 tax return even though you have purchased your home in 2009.

Can I claim the credit against my closing costs when I purchase my home?

NO! You must file a tax return to claim your credit. This is a refundable credit which reduces your tax liability dollar-for-dollar. If you owe less than the \$8,000 and you qualify for the credit, IRS will send you a check for the difference. You can also allocate the credit between individual owners in any reasonable manner.

Linda D. Smith is a Partner with Davis Grennan Fender Ruta, CPA's & Advisors in Orlando. She can be reached at lsmith@davisgrennan.com.

Mediation Has Gone to the Dogs

Have you ever been woken up on a Saturday morning because of noises coming from a neighbor's home? Whether it was loud music, home improvements or barking dogs, it can become a problem—a problem large enough for city governments to take notice.

In the article, "Mediators help take

bite out of dog disputes," featured in the USA TODAY on March 15th, the use of mediation to settle neighborhood disputes was highlighted. The authors point out the financial benefits of using mediation over going to court. They state that local, and sometimes non-profit, mediation groups have been formed to help communities resolve

their conflicts peacefully and cost-effectively.

So instead of running out and buying a muzzle for your pooch, look into community mediation.

To read the full article, go to: http://www.usatoday.com/news/nation/2009-03-15-mediation_1t.htm?inc=intstitialskip



A Family in Conflict: The True Story of Grief, Loss and Hope

Unfortunately, we all face troublesome situations within our family that cause tremendous pain and turmoil. And for one family, the rift that was created has yet to be bridged. Their names have been changed but their story is true. They agreed to share it so that they may be able to help themselves and others facing similar circumstances.

Mr. and Mrs. Jackson were the type of grandparents every kid wanted. They hosted birthday parties, came to school plays, and treated their family with only love and respect. When Mrs. Jackson's health slowly began to deteriorate and she was forced to stay home more, Mr. Jackson made up for her absence by still being active within the community and with their grandkids. Unfortunately, Mrs. Jackson passed away and left her family grief stricken for quite some time. And while his children and grandchildren were still mourning the tremendous loss, Mr. Jackson had become close friends with a woman, a good bit younger than he, Mrs. Mariposa.

Mr. Jackson's family did not take to the new woman well and believed she was being forced upon them to replace their beloved grandmother. As time passed, things only grew worse and eventually, all ties were cut. Mr. Jackson and Mrs. Mariposa married and did not invite the family to come. Heartbroken, his family could not understand how he could have moved on so quickly. Mr. Jackson, also very upset by the disagreement, did not understand why his family didn't want him to be happy.

Although this situation is specific to the Jacksons, it is no different from almost all conflicts we face based on one basic tenet: conflict is created when two opposing perspectives are looking at the same situation. Thus, for this family, they simply were not stepping outside of their worlds to look in from another side. Understandably so, their emotions were forcing them to hold tight to their positions. Though each side loved one another, they believed themselves to be right and did not attempt to understand the situation and all of its parts.

Being able to accept that your position is solely yours, and not someone else's, can be summed up by saying, "easier said than done." But it is not an impossible task. Sometimes it helps to envision yourself giving advice to a friend with the same problem. When you are not emotionally attached, you are



better able to understand that there are always two sides and that people can only react based on the information they have interpreted—which is never identical from one person to the next. Therefore, even in a tight knit family there may not be congruence of opinions.

Another very important facet for the Jacksons to do is not take things personally. Again, this is easier for an outsider to say, but when our feelings are hurt, it's common to believe our feelings are as concrete as stone. Yet, just because we believe we were betrayed does not mean that there was an intent to betray. Often times, the exact opposite is true and can be seen with the Jacksons. Mr. Jackson did not marry Mrs. Mariposa for any other reason than because he loved her and had made peace with Mrs. Jackson's passing. And in the same sense, his family did not abruptly choose to cut off contact for no reason. At the time, their grief and feeling of loss outweighed their ability to understand what Mr. Jackson could be feeling.

Presently, Mr. Jackson has reached out to his grandchildren with the hopes of rebuilding the relationship they once had. They are all aware the road ahead may be long, but if everyone is willing, they may reach the end sooner than they thought.

If matters of the heart were simple, we'd never shed a tear and we'd move through life with greater ease. Unfortunately that is not the case and we sometimes have to work through extremely tough situations. But by removing yourself from your own perspective, you may gain clarity and a better view at what the other person was going through. By doing so, you may be able to accept that you will never fully agree, but can see why things occurred.

Stepping into someone else's shoes is an invaluable technique that we can apply to our family, personal, and professional lives. It allows us an insight we may not have previously known and may bring us closer to the resolution we were seeking.