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CENTRAL MICHIGAN ASSOCIATION OF REALTORS®  
**CENTRAL DISPATCH**

## THE CENTRAL MICHIGAN ASSOCIATION OF REALTORS INVITES YOU & YOUR OFFICE TO:



Wednesday, August 21<sup>st</sup>, 2013

Pleasant Hills Golf Course

4452 E. Millbrook Rd, Mt. Pleasant

9:30am Start • 4:00pm Dinner

18 Holes of Best Ball/Scramble with flighted cash prizes

\$40 Per Golfer • \$160 Per Team

\$100 Tee Sponsorship

\$10 Dinner Only

\*\*Includes 18 holes, cart, dinner and grand prize entry!\*\*

***DEADLINE FOR REGISTRATION IS AUGUST 7TH!***

To register visit: [www.cmiar.com](http://www.cmiar.com)

**CENTRAL MICHIGAN ASSOCIATION OF REALTORS® IS DEDICATED TO SERVING THE COMMUNITY BY PRESERVING PRIVATE PROPERTY RIGHTS AND PROVIDING EDUCATIONAL, ETHICAL, AND PROFESSIONAL SERVICES WHILE HOLDING THE REALTOR® TO A HIGH STANDARD OF ACCOUNTABILITY.**



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Northern Great Lakes  
**REALTORS® MLS**

Visit the CMAR Members website for full information and forms on the new NGLR MLS.

<http://cmiar.com/members/index.html>

NGLR MLS URL:

<https://nglrmls.paragonrels.com>

NGLR MLS Mobile Site:

<http://nglrmls.mobile.paragonrels.com>

See how the Northern Great Lake REALTORS MLS website is growing. Open house links are up and running, along with agent profiles. Also, members only section coming soon!

<http://www.nglrmls.com>

*AUGUST CALENDER*

*1st*

*Public Relations Committee 9:00am*

*Summer Events Committee 10:00am*

*13th*

*Board of Directors 8:30am*

*Nomination Committee 3:00pm*

*14th*

*Summer Events Committee 9:00am*

*16th*

*Forms Committee @ Association 8:30am*

*Bylaws Committee 10:00am*

*19th*

*MLS Committee 8:15am*

*20th*

*Education Committee 9:00am*

*21st*

***MARGARITAVILLE GOLF OUTING***

*(Office will be closed for staff to attend event)*

*22nd*

*Finance Committee 9:00am*

*23rd*

*Nomination Committee 9:00am*

*29th*

*Nomination Committee 9:00am*



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## MONTH SALES COMPARISONS

	July 2012	July 2013
Units Sold	101	92
Average Sale	\$91,759	\$105,207
Total	\$9,267,725	\$10,099,875



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## 2012-2013 LEADERSHIP

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Jim Parsons

**SECRETARY**  
Cheryl Jindeel

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Cindy Rank  
Carol Farnan  
Maggie Murphy  
Dianne Beard  
Barb McCollom  
Rick Arlt

**AFFILIATE DIRECTOR**  
Paul Alexander



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## LET YOUR BUSINESS SAIL

Get on board with the **MICHIGAN ASSOCIATION OF REALTORS®**

The purpose for MAR's Convention & Expo is professional development, building business connections, and to facilitate business among all parts of our industry. The MAR Convention & Expo is a great opportunity to build your brand, network with real estate professionals, and gain valuable industry insight. REALTORS® work with and refer professionals they trust and see in the market place.



**EXHIBIT FEES**

\$ 875 - Standard 10'x10' booth space  
 \$ 975 - Premium 10'x10' booth space  
*Fee includes 3 full convention registrations; 8' skirted table, 2 chairs, carpet, back & side pipe & drape; waste basket*



### HIGH SEAS OPPORTUNITIES

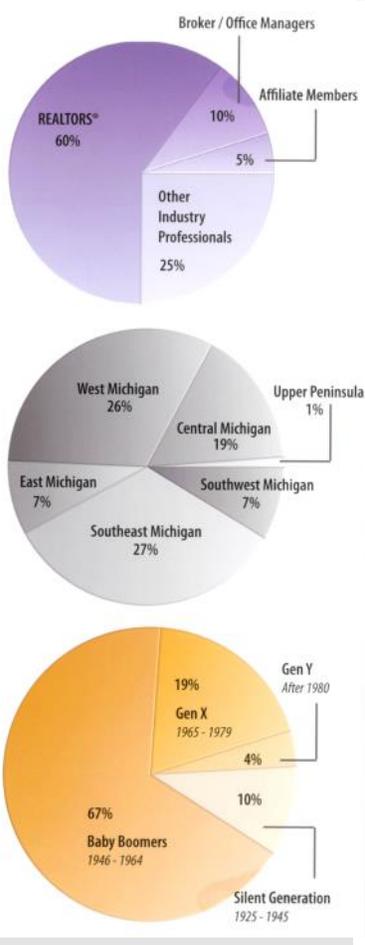
- On-site promotion on signage and in program materials.
- Knowledge session speaking opportunities.
- Recognition in MICHIGAN REALTOR® magazine; distributed to over 22,000 REALTORS® & industry leaders.
- Company logo and recognition on MAR's Convention & Expo web site with over 1,200 unique visitors each month.



**2013 convention & expo**

**ATTENDEE DEMOGRAPHICS**

[www.mirealtors.com](http://www.mirealtors.com)



The Michigan Association of REALTORS® has partnered with the Isabella County Habitat for Humanity to assist in Habitat projects in the Mt. Pleasant area. Volunteer to help strengthen Habitat for Humanity's mission to provide affordable homes to those in need. Volunteers are needed for Tuesday, September 24<sup>th</sup>, and Wednesday, September 25<sup>th</sup>.

Contact Amy Daunt at [adaunt@mirealtors.com](mailto:adaunt@mirealtors.com) or 517-334-5541 for further details. Deadline to register for the build is Friday, September 13.

[www.mirealtors.com/content/convention13](http://www.mirealtors.com/content/convention13)

## THE 3.8% TAX IS NOT A REAL ESTATE TRANSFER TAX

On November 24, 2010, in [Breaking News, Law & Policy, Politics & Government](#), by [Robert Freedman](#)

**By Robert Freedman, Senior Editor, REALTOR® Magazine**

Shortly after the federal government enacted sweeping healthcare reform earlier this year, there was considerable concern over a last-minute addition to the legislation: a 3.8 percent tax on investment income of upper-income households to help shore up Medicare. The tax takes effect in 2013.

Among the concerns expressed among consumers and business people, including real estate professionals, both then and today, is that the tax amounts to a transfer tax on real estate. Not true, NAR Director of Tax Policy Linda Goold says.

Here's how the tax works. For individuals earning \$200,000 a year or more and married couples earning \$250,000 a year or more, certain investment income above these income levels might be subject to the 3.8 percent tax on a portion of that income. I say "might" because whether the tax applies or not depends on many factors having to do with the kind and amount of the investment income the household receives.

Investment income includes capital gains, dividends, interest payments, and, for those who own rental property, net rental income.

Importantly, the \$250,000 (for individuals) and \$500,000 (for married couples) capital gain exclusion on the sale of a principal residence remains in place. So, if you're a married household that sold a house for a \$500,000 gain (that's gain, not sale proceeds), that amount remains excluded from your income calculation.

Let's take a look at a married couple that has \$325,000 in adjusted gross income (AGI), plus \$525,000 in capital gains from the sale of their house.

This household would be considered upper-income by most standards. Not only is their income relatively high, at \$325,000 (adjusted gross income, or AGI), but they're receiving a \$525,000 gain on their house sale. Presumably, they bought their house years ago and it's appreciated over the years, so upon selling it, their gain is a relatively high \$525,000.

For this household, only \$25,000 in investment income would be subject to the 3.8 percent tax. That would amount to \$950. That's because it's the \$25,000 over the \$500,000 capital gains exclusion that's taxable.

Before they would know that, though, they would have to do a calculation that involves their adjusted gross income. They would have to add their capital gain of \$25,000 to the amount of their income above the \$250,000 income trigger (for married couples). Since their income is \$325,000, they would add the \$25,000 to \$75,000 (\$325,000 – \$250,000), which would equal \$100,000. Then they would compare the \$25,000 to that \$100,000, and apply the tax to the lesser of the two, which is the \$25,000. Thus,  $\$25,000 \times 3.8\% = \$950$ .

So, you have a household that had income of \$850,000 for the year, and its tax on investment equaled \$950.

This is a simplification. Other tax issues could come into play. But it shows that the tax applies to just a portion of investment income for certain upper-income households and that the capital gains exclusion remains untouched.

Nobody likes taxes, and this tax was inserted into the legislation at the 11th hour as a "pay-for," that is, as a revenue generator to help offset some of the costs of the reform. It's expected to generate \$325 billion over eight years.

NAR has prepared a brochure that looks at how the tax might apply under eight income scenarios: 1) sale of principal residence (which we just looked at), 2) sale of a non-real estate asset, 3) gain, interest, and dividend from securities, 4) real estate investment income, 5) rental income as sole source of earnings, 6) sale of second home with no rental use, 7) sale of inherited investment property, and 8. purchase and sale of investment property.

You can [download the brochure for free](#). It's written in plain language and I think you'll find it organized efficiently, so you can see at a glance the potential considerations for the different scenarios. Of course, it's just guidance: each household's situation will be different, so you would want to suggest to your customers and clients that they consult with a tax advisor to make sure the tax is applied correctly in their case.

You can also get a good sense of how the tax works in the video above, in which Goold walks through a sample income scenario.



[ROBERT FREEDMAN](#)

Robert Freedman is manager of multimedia communications for the NATIONAL ASSOCIATION OF REALTORS®. He can be reached at [rfreedman@realtors.org](mailto:rfreedman@realtors.org).

## MAR LEGAL LINES: Sherriff's Sale

**W**ith the help of McClelland & Anderson, we are taking the most recently asked questions from our legal hotline and putting them in E-news. We will be featuring a different question each issue.

**Question:** I am a listing agent for a real estate firm that practices designated agency. My husband works at the same firm and he is the designated agent of a buyer who wants to make an offer on one of my listings. Can we do this or are we required to enter into a dual agency arrangement?

**Answer:** While the law does not expressly prohibit a husband and wife from acting as designated agents on opposite sides of a transaction, we would strongly advise against it. If a problem later arises in connection with the transaction or the property, it may be difficult to convince the parties (or a court) that the parties received the full range of fiduciary duties from their respective designated agents.

### *App of the Month:*

### *Any.do (Apple iPhone)*

Any.do is an award winning to do list app. Featuring innovative & modern life planning tools. Any.do has a unique feature called the Any.do moment that encourages making a habit of reviewing your daily tasks.

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# CMAR TASK FORCE UPDATE

The task force has been meeting every Wednesday at 7:30 am since May 30th. Our focus has been to identify significant issues the membership is currently having with LPS Paragon and NGLR/MLS, and to generate possible solutions to those issues.

Discussions from our initial meetings led to the creation of an anonymous 37 question Survey to be distributed to the general membership. A return rate on a Survey such as ours of 30% is considered successful. We heard back from 66% of you. Tremendous response rate!!! That also means there is a significant amount of information for us to review, analyze, and assemble into a meaningful report for the benefit of the membership.

Based on the survey results we have currently identified approximately 10 areas of concern. Over the next two to three weeks we hope to generate possible ideas and solutions related to these concerns, which will then be presented to the Directors and the membership.

I want to thank the task force, Randy Golden, Robin Stressman, Diyonn Fahlman, Marci Browne, Jim Parsons, and Mick Bowerman, as well as Marc Schreiber on computer, for their time and dedication. Also thank YOU for your input. It is your constructive participation that will help us have a great Association.

Paul Alexander

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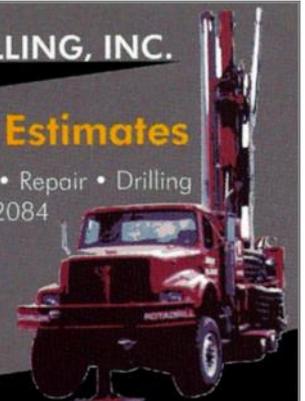
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## CMAR Vision Statement:

**CMAR, a premier REALTOR® Association, provides focused educational opportunities, enriched membership services, community involvement, and expansion of technology for its members and the public.**

## CMAR Board of Directors Actions: July 2013

- Motion to send to Bylaws Committee to review section on orientation and new membership dues where it is in conflict. Support, passed.
- Motion to accept the findings of audit from RPC and have a bank statement sent independently to the treasurer. Support, passed.
- Motion to pursue entering into a joint agreement with the MRA for shared education opportunities and Pro Standards. Support, passed.
- Motion to hold a Fall CE class with Gwyn Besner for the cost of \$30 per student. Minimum of 10 required. Date, September 24, 2013. Support, passed.
- Motion to charge members for Fall CE class per recommendation of Finance Committee \$50 for person and non-members will be \$60. Support, passed.
- Motion to approve the 2013-14 Nomination Committee consisting of John Leonard, Sandi Jeffery, Julie Rush, Susan Massaway and Sue Welling. Support, passed.
- Motion to send proposed sample language of appointment of shareholder associations LLC representatives of NGLRMLS to Bylaws Committee. Support, passed.

See website for full monthly BOD minutes: <http://cmiar.com/members/bodagendas.htm>



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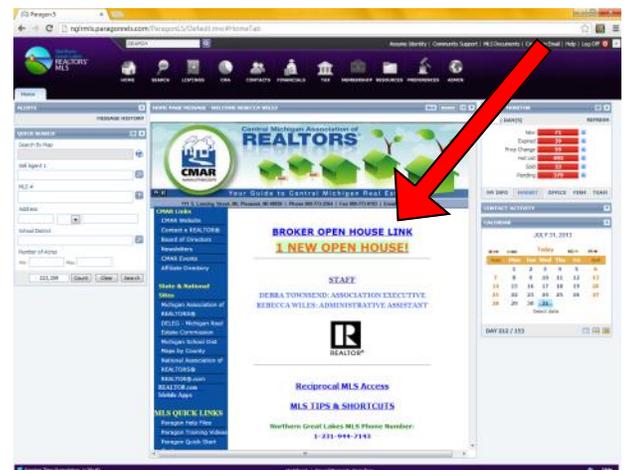


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## NEW LINKS ADDED FOR YOUR CONVENIENCE!

Be sure to check out your Paragon home screen and the CMAR website members only homepage as we are adding more links for easy access.

- ⇒ Broker Open Houses link
- ⇒ Reciprocal MLS Access Passwords
- ⇒ MLS Tips & Shortcuts



# Thank you to All who donated to RPAC this year thus far!

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## R.P.A.C.

**-Who is RPAC?** *REALTORS Political Action Committee and it supports candidates who support the Real estate Industry.*

**-What do they do?** *Represent Michigan REALTORS in Lansing and all REALTORS in Washington DC to protect our interest*

**-Why do we need them?** *Having a PAC makes REALTORS a player in the political process. NAR wants to be at the table when bills are introduced that effect the Real Estate industry and the way you conduct your business. RPAC helps to open doors and encourages lawmakers to keep an open mind about our issues. RPAC is also an advocate for home ownership.*

**-When can you contribute to RPAC?** *RPAC donations can be made all year long. You can make a donation during dues renewal or make a pledge and make payments throughout the year.*

Be sure to check out the newest MAR Field Report Vodcast with Rob & Brad.

Important governmental topics to affect future Real Estate!



<http://www.mirealtors.com/content/fieldreports.htm>

Federal Government threatens:

- Capital Gains deduction exemption of homes sold for \$250,000 or less
- 1031 Exchange
- Mortgage interest deductions

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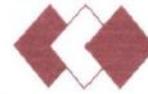
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