

Taxpayers more frugal with refunds

WASHINGTON—Most people say they plan to use this year's tax refund to pay bills, deciding in this sour economy to be more frugal with their annual windfall.

Fifty-four percent of those receiving refunds said they intend to pay off credit card, utility, housing and other bills, according to an Associated Press-GfK poll released Monday, April 13. That compares with 35 percent who said the same thing a year ago.

Only 5 percent, about the same as a year ago, said they planned to go on a shopping spree.

The survey found that 38 percent of those receiving a refund said they plan to spend at least part of it. But the spending appears to be mostly on basic needs: 17 percent said they would use the money for everyday needs such as food and clothing. It was 7 percent a year ago.

Phillip Barks of Aberdeen, Md., said he and his wife, Kristy, have spent their \$3,800 refund. Most went toward a credit card bill.

The Barks, who were not part of the poll, were interviewed on a downtown street in Washington.

A few blocks away, Shannon Wyss of Washington said she plans to save most her \$1,066 refund. She will, however, treat herself a bit; she's already spent \$99 on a device for her iPhone.

The deadline for individuals to file their 2008 tax returns is Wednesday. As of last week, the Internal Revenue Service had sent out about \$200 billion in tax refunds. Commissioner Doug Shulman said the agency expects to send out about \$330 billion by the

end of tax season.

The AP-GfK poll found that 57 percent of adults said they expect to receive a tax refund. The average refund this year is about \$2,700, compared with \$2,500 last year, Shulman said.

For last-minute filers, Shulman said the quickest way to get a refund is to file electronically and have the refund deposited directly into a bank account. Those refunds take about 10 days to process, he said. Refund checks from paper returns take four to six weeks to process, he said.

The IRS warned taxpayers last April 13 to be on the lookout for fraudulent schemes by those claiming they can help people avoid paying taxes. Some scams are promoted in unsolicited e-mails, which can enable computers hackers to steal taxpayers' identities if the e-mails are opened. The IRS says it never initiates unsolicited e-mail contact with taxpayers.

The Obama administration is hoping this year's refunds will help boost an economy that has shed more than 5 million jobs since December 2007. Congress passed a \$787 billion economic recovery bill in February. The package was a mixture of government spending and tax cuts designed to get people to spend at a time when most are cutting back and saving more. It makes sense to be frugal when the economy is in such bad shape, but it hurts the economy when everyone does it.

The poll found that 35 percent of those receiving refunds plan to save or invest at least part of the money, a slight increase from a year ago. About 37 percent said they

planned to use their refunds to pay down debt, including credit cards, and student and personal loans. A year ago, 24 percent said they would use at least part of their refunds to pay down debt.

Only 3 percent of those receiving refunds said they planned to invest at least part of the money in real estate, which has been depressed in markets across the country.

The poll found that those making less than \$50,000 a year were much more likely to use their tax refunds to pay bills or buy everyday items than those making more. People making more than \$100,000 a year were more likely to use their refunds to go on a vacation.

Among the poll's other findings:

- 31 percent of those receiving refunds said they will use at least part of the money to pay credit card bills, compared with 17 percent a year ago.
- 19 percent said they will use their refunds to pay utility bills, compared with 10 percent a year ago.
- 17 percent said they will use their refunds for rent or mortgage payments, compared with 7 percent a year ago.
- 11 percent of those receiving refunds said they would use them to go on vacation, a slight increase from a year ago.
- 5 percent said they planned to use their refund for a down payment on a car, also a slight increase.
- 4 percent said they would use their refunds to buy stocks or bonds, about the same as a year ago.
- 8 percent of those who owe taxes said they were very likely or somewhat likely to use a credit card to pay their tax bill. (AP)

Universal healthcare proposed for California

Bill to be considered by State Senate Committee

SACRAMENTO, CA—State lawmakers are set to consider a law being pushed by a San Francisco senator that would create a state-managed universal health care system.

With lawmakers returning from Easter recess this week, the Senate Health Committee is scheduled on April 15 to hear the health care proposal from Democrat Mark Leno.

Previous legislation on the matter has been vetoed twice in the past by Gov. Arnold Schwarzenegger.

Lawmakers are also set to discuss a bill by a San Diego lawmaker that would require all homes built starting in about 2020 to be so-called zero net energy buildings.

The bill by San Diego Assemblywoman Lori Saldana is on the agenda of the Assembly Natural Resources Committee for today. (AP)

California asks feds for nearly \$5B for education

SACRAMENTO—Gov. Arnold Schwarzenegger is asking the federal government for nearly \$5 billion in economic stimulus money for California schools.

The governor signed the state's application Thursday, April 9. Schwarzenegger says he hopes the money will avoid further teacher layoffs and help schools that are struggling to absorb \$8 billion in budget cuts.

About 26,000 California teachers were handed pink slips this spring after Schwarzenegger signed a state budget that made massive cuts to state programs and raised taxes to boost revenue.

The governor's office estimates schools could get about \$3.1 billion after the application is approved, with another \$1.8 billion to follow. Most of the money will go to K-12 schools, with about a fifth of the total dedicated for higher education. (AP)

America's uninsured haven't shown collective power

WASHINGTON—If the uninsured were a political lobbying group, they'd have more members than AARP. The National Mall couldn't hold them if they decided to march on Washington.

But going without health insurance is still seen as a personal issue, a misfortune for many and a choice for some. People who lose coverage often struggle alone instead of turning their frustration into political action.

Illegal immigrants rallied in Washington during past immigration debates, but the uninsured linger in the background as Congress struggles with a health care overhaul that seems to have the best odds in years of passing.

That isolation could have pro-

found repercussions.

Lawmakers already face tough choices to come up with the hundreds of billions it would cost to guarantee coverage for all. The lack of a vocal constituency won't help. Congress might decide to cover the uninsured slowly, in stages.

The uninsured "do not provide political benefit for the aid you give them," said Robert Blendon, a professor of health policy and political analysis at the Harvard School of Public Health. "That's one of the dilemmas in getting all this money. If I'm in Congress, and I help out farmers, they'll help me out politically. But if I help out the uninsured, they are not likely to help members of Congress get re-elected."

The number of uninsured has

grown to an estimated 50 million people because of the recession. Even so, advocates in the halls of Congress are rarely the uninsured themselves. The most visible are groups that represent people who have insurance, usually union members and older people. In the last election, only 10 percent of registered voters said they were uninsured.

The grass-roots group Health Care for America Now plans to bring as many as 15,000 people to Washington this year to lobby Congress for guaranteed coverage. Campaign director Richard Kirsch expects most to have health insurance.

"We would never want to organize the uninsured by themselves because Americans see the prob-

lem as affordability, and that is the key thing," he said.

Besides, added Kirsch, the uninsured are too busy scrambling to make ends meet. Many are self-employed; others are holding two or three part-time jobs. "They may not have a lot of time to be activists," he said.

Vicki and Lyle White of Summerfield, Fla., know about such predicaments. They lost their health insurance because Lyle had to retire early after a heart attack left him unable to do his job as a custodian at Disney World. Vicki, 60, sells real estate. Her income has plunged due to the housing collapse.

"We didn't realize that after he had the heart attack no one would want to insure him," said Vicki. The one bright spot is that Lyle,

64, has qualified for Medicare disability benefits and expects to be getting his card in July.

But for now, the Whites have to pay out of pocket for Lyle's visits to the cardiologist and his medications. The bills came to about \$5,000 last year. That put a strain on their limited budget because they are still making payments on their house and car.

"I never thought when we got to this age that we would be in such a mess," said Vicki, who has been married to Lyle for 43 years. "We didn't think we would have a heart attack and it would change our life forever."

While her own health is "pretty good," Vicki said she suffers chronic sinus infections and hasn't had a checkup since 2007. "I have just learned to live with it," she said.

The Whites' example shows how the lack of guaranteed health care access undermines middle-class families and puts them at risk, but that many of the uninsured eventually do find coverage. Lyle White has qualified for Medicare, even if the couple must still find a plan for Vicki.

Research shows that nearly half of those who lose coverage find other health insurance in four months or less. That may be another reason the uninsured have not organized an advocacy group. At least until this recession, many have been able to fix the situation themselves.

"The uninsured are a moving target," said Cathy Schoen, a vice president of the Commonwealth Fund, a research group that studies the problems of health care costs and coverage. (AP)



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