

A Lake County Property Tax Solution: Make Momma's Home A Museum

By Woodrow Wilcox

If you have read my column regularly, then, you know that I am concerned about the impact of extremely high property taxes on senior citizens in Lake County, in Indiana, and elsewhere.

This week, a lady from the Miller section of Gary visited the office and told me that her home's property taxes had jumped to \$11,000 per year last year, but had dropped to \$5,000 this year. She said that she could no longer afford to live in Gary and would be moving. Two years ago, I wrote about a lady in northern Hammond who had a property tax increase from \$200 per year to \$6,000 per year. Often, I report on this topic because I have a real concern for the people who are affected.

Recently, I thought of a solution that might work for many people. If your mother is a senior citizen who has been hit with high property tax bills, high utility bills, increasing Medicare supplement insurance charges, and higher medicine costs, then consider this idea. Make your momma's home a museum!

“What?” you might ask. “Why?”

The reason that I suggest this is to help your mother and your family in many ways. First of all, if your mother owns her home, it might be taken after she is put into a nursing home or after she dies and creditors start filing with a court for payment. You can avoid all that muss and fuss by making your momma's home into a museum.

To create a museum, you just file the corporate papers and the tax papers to create a not-for-profit corporation to operate a museum. Your mother or your family then donates your momma's home to the museum. The home becomes a museum. And, your momma becomes the museum curator and guide. She can explain to visitors the history of everything that the museum displays.

What's the matter? You don't think that your family and its history are interesting? Why not? Don't you have some old pictures of relatives who were in the military, or in the steel mills, or in a local parade? Don't you have some pictures of relatives in old fashioned clothes and old fashioned hair styles? Don't you think that learning about life in years past would be a legitimate educational experience? Of course it would be.

Your relatives can serve as directors and officers of the museum. Have a part of the house where pictures and other things are displayed. Let your mother be the curator of the museum. Give her all kinds of benefits as an employee of the museum. Let the museum pay the utility bills. Let the museum give her a salary. Let the museum pay for her Medicare supplement insurance premiums. Let the museum pay for a life insurance policy on your mother

as an employee benefit. Let the museum reimburse her for all the medicines and vitamins that she takes as an employee benefit approved in writing by the officers and directors of the not-for-profit museum.

Whenever relatives or friends visit your momma, make them pay a quarter for admission. Have a sign with the admission price and a coffee can to collect the quarters right at the front entrance.

Now, here is the beautiful part of this whole idea. The not-for-profit museum won't have to pay property taxes. Not-for-profit corporation property that is used for not-for-profit purposes gets exempted from paying property taxes. So, your momma's home becomes free of property taxes! Also, federal and state income tax laws make it tough for you or your relatives to deduct most money that you would spend to help your mother if you gave the money directly to your mother or her creditors. But, you and everyone in the family can deduct lots and lots of money that is donated to the not-for-profit museum where your mother must live because it is a condition of her employment.

Do you think I'm crazy? Maybe the tax laws are what is crazy. Why can't we help our relatives and friends without hiring lawyers and accountants to help us create and maintain legal fiction entities like corporation, trusts, limited partnerships, and so on? Why can't people be allowed to deduct all of their existence costs just as corporations, trusts, and other legal fiction entities do? Why is it smarter and better, under the various tax laws, to create a not-for-profit museum to help your momma instead of just helping your momma directly?

Written February 8, 2006

Written and syndicated by the author.

Woodrow Wilcox

(c) 2006 WoodrowWilcox