

election is irrevocable for the year in which it's made.

Net operating loss deductions are obviously more valuable in high income years when your tax rate is higher. Thus, carrying back a net operating loss—or increasing it—can be a good choice if you have a high income during those carryback years.

On the other hand, if you paid tax at a low rate in the carryback year but anticipate higher income in future years, you may want to conserve your NOL.

Naturally, if you choose to ignore the carryback provisions of the rules, there is no reason to attempt to increase the current-year NOL since expenses and losses taken will be claimed in later years anyway.

**Strategies**—Here are some strategies you can use to increase a NOL legitimately:

- You can accelerate deductions into the next tax year by, for instance, purchasing next year's supplies in the tax year when a loss appears inevitable.

- In some cases, income can be deferred from the loss year to the next. Check with your accountant.

- You may want to take down losses on investment or other assets when their book values or bases are greater than fair market value.

- Planned equipment purchases can be accelerated to take advantage of the \$17,500 expensing deduction or to increase the loss-year depreciation deductions.

- You might be able to take steps to nail down bad debt deductions for uncollectable accounts.

Net operating losses are not always bad. All too often, they are the result of depreciation, first-year write-offs (up to \$17,500) of newly-acquired equipment, fixtures or other business assets.

Tax Form 1139 is the key. But if a carryback entitles you, your estate or your trust to a refund of prior-year taxes, file Form 1045 for a quick refund.

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## Ornamentals can grow, even in difficult areas

■ Whether your clients' land is too wet, too dry, too shady or too steep, there are beautiful, hardy plants that will thrive.

"The trick to a low-maintenance, long-lived landscape is selecting plants best suited to grow in the climate and soil conditions," says Dr. J. Robert Nuss, professor of ornamental horticulture at Penn State University.

Overly wet soils occur in low-lying areas and are produced by springs, a high groundwater table or nearby ponds or streams. "Consider yourself lucky if you have a wet area on [your client's] land," says Nuss. "It can support a wide range of exotic plants, many of which grow nowhere else."

Annuals that do well in shady, poorly drained areas are shown in the chart above.

Garden centers and catalogs carry

native fern and wildflower stock. "Be patient when introducing wildflowers to an area, though," Nuss suggests. "It may take a few years for them to get established and become showy."

Shrubs and trees that do well in damp, shady places are also shown in the chart. And some fruit-producing shrubs, such as blueberries, also grow in partial shade if they receive a half-day of sun to help flowers and fruit develop.

"Many of these plants do just as well in shady, well-drained areas," says Nuss.

Sunny, dry slopes, though, are another story. "Even during rainy periods, slopes land quickly loses water. These areas require plants that don't mind droughty conditions."

However, even drought-resistant plants

"appreciate organic mulch and periodic watering during the hot summer months," Nuss observes.

Sometimes soil composition also requires careful selection of plants. Heavy clay soil presents problems for plants with delicate root systems, and for most annuals you'll have to work in a "generous amount of organic material."

Nuss recommends a soil test, done by either a private lab or your friendly, local cooperative extension agent.

"You can save time and money by learning about soil, light and water conditions and by selecting well adapted species," Nuss concludes. "With just a little care, you can have a beautiful landscape just about anywhere."

### HARDY PLANTS FOR THE LANDSCAPE

#### ANNUALS FOR SHADY, POORLY DRAINED AREAS:

impatiens, sweet alyssum, scarlet sage, blue sage, verbena, some wildflowers (cardinal lobelia, forget-me-not, wild iris, many violets)

#### SHRUBS AND TREES FOR DAMP, SHADY AREAS:

alder, dogwood, pussy willow, weeping willow, magnolia, mountain laurel

#### FLOWERS FOR SHADY BUT DRIER AREAS:

columbine, lily of the valley, bleeding heart, balloon flower, daylily

#### SHRUBS AND TREES FOR SHADY BUT DRIER AREAS:

boxwood, false cypress, holly, hemlock, pine, yew, barberry, cotoneaster

#### ANNUALS FOR SUNNY, DRY SLOPES:

marigold, zinnia, four o'clock, geranium, cosmos

#### PERENNIALS FOR SEMI-ARID AREAS:

yarrow, butterflyweed, daylily, lupine, oriental poppy, prickly pear cactus, many groundcovers like crownvetch and sedum, some ornamental grasses

#### PLANTS FOR HEAVY CLAY SOILS:

mint, coltsfoot, Siberian iris, perennial sweet pea, red maple, American Hornbeam, pin oak, arborvitae