

Adventures in Data Recovery

BY ASHLEY MCCONNELL

Back in the Dark Ages of 2004 or so, I saw a presentation in library school about the amount of information that was “born digital”—that is, that was created and stored electronically. As I recall, at that time the estimate was that more than 94 percent of all the existing information in the world was either born digital or stored electronically somewhere.

That bit of information was enough to make anyone who has ever crashed a computer sick to her stomach. And it makes you damn grateful for printed books. All it takes is a lightning strike on a transformer somewhere, or a power surge, or a cat knocking a laptop to the floor; the potential for loss is overwhelming. This is why a wise writer will back up his or her data religiously, ideally offsite.

On the other hand, if we were wise, we wouldn’t be trying to make a living as writers, either. Thus, data recovery.

There are several ways you as a writer can approach data recovery—the do-it-yourself software recovery for individual corrupted files or, in the case of real disasters, going to the professionals. I did a quick Google search for file recovery tools and found a veritable plethora of reviews: top 10, top 20, top 23, five best free, and so on lists. The ones that aren’t free ranged in price from \$99.95 down to \$29.95. You can go to cnet.com and find reviews and downloads of any number of data recovery programs; you can search the internet for “data recovery” and come up with dozens more. And every year, more programs seem to come out. As my mother used to say, “You pays your money and you takes your choice.” You read the reviews, ask online for advice, hold your breath, and pick one.

If you don’t want to try recovering a file yourself, you can try taking your computer to the local professionals or go through an online site like the ever-popular PCWebDoc.com. This has the distinct advantage of allowing you to heave a sigh of relief and feel that it’s now someone else’s worry for at least a few days.

Or, like me, you can experience a true disaster. In 2009, I was not wise. I did not back up my data. Then my laptop, my sole computer, stopped working. I couldn’t even get it to boot up. So I took it to the local computer shop.

Two days later they told me that they couldn’t get it to boot up, either. The hard disk was dead. Everything I had—my novels, articles, stories, idea files, links, letters, pictures, music, financial records, all of it—was gone. I had hard copies of a few things, but most of it was simply *Continued on page 4* ▶

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Introducing...

The following authors have applied for membership in NINC and are now presented by the Membership Committee to the members. If no legitimate objections are lodged with the Membership Committee within 15 days of this Nink issue, these authors shall be accepted as members of NINC. For further information or to recommend eligible writers, contact:

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October Contributors

Before leaving the position in April of this year, **Jean Gordon** was the Manager, Editorial Services for an international financial and retirement services corporation. A graduate of California State University, Los Angeles and the State University of New York at Albany, she holds a bachelor's degree in journalism and a master's in public affairs with a concentration in public law. Jean has more than 30 years' experience in financial planning and writing. Retirement planning is her specialty. She's also a multipublished author of inspirational and sweet romance.

JoAnn Grote is the award-winning author of 40 books, including inspirational romances, middle-grade historical novels, and children's nonfiction. Contact her at jaghi@rconnect.com.

Ashley McConnell has gone through nearly a dozen computers in the course of her career since her very first IBM PC in 1984, back when a 40 MB hard drive (installed chip by chip with her very own hands) was an unimaginable extravagance. She has published 17 novels, a number of short stories, poetry, uncounted technical manuals and reports, Congressional testimony, security plans, policies, and other Corporate Stuff. She has served as NINC's Treasurer and is (possibly far too) active on NINCLink.

Laura Resnick is the award-winning author of about 30 books and 70 short stories. In her copious spare time, she digs holes.

Watch for the special November Conference Issue of *Nink* with complete coverage of NINC's 2015 Conference.



NINC has room to grow...

Recommend membership to your colleagues. Prospective members may apply online at <http://www.ninc.com>. Refer members at [ninc.com](http://www.ninc.com). Go to Members Only, "Member Services," and click "Refer a New Member to NINC." Take NINC brochures to conferences.

NINC Statement of Principle:

Novelists, Inc., in acknowledgment of the crucial creative contributions novelists make to society, asserts the right of novelists to be treated with dignity and in good faith; to be recognized as the sole owners of their literary creations; to be fairly compensated for their creations when other entities are profiting from those creations; and to be accorded the respect and support of the society they serve.

Adventures in Data Recovery

Continued from page 1 ▶ gone. I could take it to a big data recovery company, but it would probably cost me several thousand dollars, and there were no guarantees. I didn't have that kind of money.

I had lost data before, mostly because I couldn't find a computer that could read a 5 ¼" floppy or a 3 ½" disk anymore or a computer that ran PC:Write, WordStar, or (shudder) XY Write. This, though, was different. It was completely unexpected, and it was a real punch in the gut. I brought my dead Dell Inspiron home and put it on a bookshelf and thought about all that stuff I was never going to see again, particularly the pictures. I swallowed hard, ordered a new computer, and started over. This time I tried backing things up, maybe not as religiously as I should, but at least I made some effort. It didn't bring back the files I'd lost, all the born-digital data that had vanished without warning, but it helped a bit going forward.

Then, earlier this year, someone on an email loop posted a desperate appeal for information about data recovery. By this time I was on my second computer since The Disaster, but that Inspiron was still sitting on the shelf. I thought, "Obviously I'm not the only person who finds herself in this situation." And so I decided to see if anything could be done about it.

Three data recovery services came up on an initial search, so I used those for my comparison. Two of them had been mentioned in responses to the plea for help. My comparison was between Ace Data Recovery, Inc.; Kroll Ontrack; and Drive Savers. Drive Savers was one that came highly recommended in the email discussion that triggered this article.

The first element I looked at was the one that made me flinch eight years ago: How much does it cost to bring a laptop back from the dead?

And as with so many other things, the answer is, it depends.

Ace Data Recovery was very prompt to respond to my query. They provide both standard and expedited service, and estimated that my job would take anywhere from six to 14 hours. Standard service provided free diagnostics (unless the factory seals have been broken), then a recovery cost of \$149/hour. Standard turnaround time was quoted at three to five business days. Average standard costs ran \$894 to \$2,086. Their expedited service included a \$269 diagnostic fee, \$269/hour charges, turnaround of "Dedicated resources until completion," and an average cost of \$1,614 to \$3,766. (All prices before tax.) Ace did not respond to any further requests for information, and I could not find an informative website, so I eliminated them from further consideration.

Kroll Ontrack (<http://www.krollontrack.com/>) was very responsive. Their return email informed me that:

We can help you with your data loss at one of our two labs in the U.S. and one in Canada. Our process is done in two phases.

First we do an evaluation to determine what is wrong with the media, what it would take to get the data off, and what would be recoverable. There is a \$65 fee for the evaluation. If we can recover data we will provide the details of what we can do, show you a list of files that would be recoverable, and then quote you an exact cost for the recovery. At this time you will have the option to say "Yes" or "No" on completing the recovery for you.

The cost of the recovery is based on the severity of the problem and what it takes to get the data off the media (not based on a per file charge). The range that this would fall in is between \$700 and \$1300 for our standard service level which averages about five to seven business days for the whole process. We do offer accelerated levels of service if you need the data back sooner.

Drive Savers (<http://www.drivesaversdatarecovery.com/>) was also very responsive, but rather than providing a quote in response to my email, wanted a direct discussion over the phone. There was no charge for the evaluation and no charge if data could not be recovered. Level of service quotes for the laptop were:

- ▶ Economy Service (5-7 business days): \$700–\$2,700
- ▶ Standard Service (1-2 business days): \$900–\$3,900
- ▶ Priority Service (ASAP): \$1,800–\$8,900

In each case, there was no charge if data could not be recovered.

I decided to go with Drive Savers Economy Service, although it's entirely possible I would have had exactly the same results from Kroll. Here's what happened:

Drive Savers sent me a FedEx box to ship the laptop (at their expense) to their California facility. Three days after I dropped the laptop off at my local FedEx facility, Drive Savers sent me an email:

The drive has suffered from an electromechanical failure, resulting in media damage to the magnetic layer on the surface area of the platters, where the binary code is located for the files stored on the device. In a situation such as this, the recovery begins in our ISO Class 5 cleanroom where our engineers will work to extract a sector-by-sector copy of the entire drive. If this first aspect of the recovery is successful, the resulting "image" of the drive is then forwarded to a Drive Savers recovery engineer who specializes in the software aspects of recovering and repairing critical data files. We then verify the recovery and prepare it for return to you.

Given the difficulty anticipated with this drive and assuming a successful recovery of the most important data, we expect that the recovery labor charge will be between \$1,600 and \$1,890. In the unlikely event we are unable to recover any of the most important files, there would be no charge. The recovered data will be returned on a Windows (NTFS) formatted 500GB external drive at \$79.

At this point, the drive is on hold with the data recovery engineers. We will keep the drive on hold in its current position for two business days, until Tuesday, September 1, 2015. If you need more time to make a decision, please contact us before then to avoid termination of the procedure. All we need is the approval for us to proceed with the recovery. Customer Service can be reached at 800-609-2301. We look forward to hearing back from you.

The final invoice was \$1,969, the high end of the labor quote, plus the cost of the external drive. I received the external drive on September 10, 13 days after my initial email inquiry. Drive Savers degaussed the laptop and recycled it, which was a real convenience because there's no place for me to recycle electronics in my area. And what did I get, besides a severe dent in my savings?

Seventeen point six gigabytes of data, and over 51,000 files in their original file organization. Under My Documents, they recovered 13 subfolders and 2,117 Word files. I got back 1,755 jpg files, 1,459 music files, and assorted Excel, Powerpoint, text, and video files I never expected to see again.

Was it worth it? To me, yes.

Drive Savers did take a while to register that I did tell them from the very beginning that I was planning to write an article about the experience, but once they did, they offered to put me in touch with their security people, their clean room engineers, and a slew of photographs. What I really wanted to know was how long had they been in business (more than 30 years), how many people did they employ (about 85), and how did they protect the data (technical protection and human reviews—they also do data recovery for government agencies). And they work not only with those government agencies, but with writers who have lost novels and students who have lost dissertations. They also do recovery from Apple computers (yes, and in fact from any item that stores data, including Smartphones and iPods).

Of more immediate concern to me at the time: they offer post-recovery support and, in the event that something went wrong with the drive they sent me, they said they would hold my data for two weeks, and then delete it. (So for heavens' sake back up that data as soon as that drive arrives!)

I now do automatic backups and offsite storage. I really regret losing all those 8 1/2", 5 1/4", and 3 1/2" disks that were lost in my last move, because Drive Savers says they could probably have recovered some of that data, too. But what I've got back is worth the cost to me. I consider this an extremely positive experience. Other companies may be able to do an equally brilliant job, but I'm very happy with what I got.

But I could have saved myself a lot of money and a lot of grief if I had just backed up my data to begin with. A word to the wise! ▲

President's VOICE

Member Benefits Make It Almost Like Being There



Julie Leto

If you're reading this, there is a 31 percent chance that you are at the conference. According to the numbers, that's how many members are in St. Pete, soaking up the tidal wave of information and knowledge brought to us by our great speakers and the amazing conference chair and committee who invited them. I find this number exciting. A lot of organizations are lucky if 20 percent of their members attend their conference. Thirty-one percent is, to me, just another example of how dedicated NINC members are to getting the most out of our organization.

To the other 69 percent, don't worry—we've got you! There are NINC reporters in every single workshop. They will be writing articles for the newsletter so that, while you may not be at the conference yourself, you will be able to get an insider's view of what was said and by whom. This is another member benefit that NINC is very proud and determined to provide.

Also, make sure to follow the NINC Twitter feed and Facebook page. Chances are good there will be updates there, too.

Speaking of member benefits, I'm very excited to announce that the previously named, "NINC Binder," now called **The NINC Guide** has been updated and is available at the website—not only to members, but to all writers who visit ninc.com. (You will find a link on the main page both at the top under Member Alerts and further down under Free Resources.) Special thanks go out to Kelly McClymer and Sylvie Kurtz for taking on the massive project of organizing, updating, and uploading the document, which was established in 2011 by Kasey Michaels as a part of the conference and now has become a go-to guide for anyone interested in independent publishing.

At NINC, we take those member benefits very seriously ... keep an eye out for a new service on the website very soon! I'll say no more here ... though if you are at the conference, you might just hear about it at the General Meeting on Sunday morning.

A handwritten signature in black ink that reads "Julie". The signature is fluid and cursive.

Business Briefs

Compiled by Sally Hawkes

Harlequin Tweets with *Legacy of Kings*

The promotion for the lead title in Eleanor Herman's new series, *Blood of Gods and Royals*, for Harlequin embraces social media. Twitter was used to provide messages in an oracle style. Readers receive one of 100 "answers" by adding the hashtag [#asklegacyofkings](https://twitter.com/asklegacyofkings) to questions sent to [@HarlequinTeen](https://twitter.com/HarlequinTeen). The oracle concept ties in with characters in the series.

PW Daily

Year-end Tips for Lower U.S. Taxes

BY JEAN C. GORDON

Income taxes? It's not April. Why should you be concerned about taxes? Because reviewing your tax picture before year-end can let you know where you stand with your 2015 U.S. federal taxes and suggest potential tax-saving opportunities you may have overlooked.

Personal Income and Taxes

As you begin your review, make sure you consider life changes such as marriage, divorce, the birth of a child, a child starting college, the death of a spouse, a move, a new job or business venture, or retirement. They can all affect the amount of tax you'll have to pay.

Federal income tax rates are progressive. Not all of your income is taxed at the same rate. For example, if you're single and your ordinary income for the year is \$50,000, the first \$9,225 is taxed at 10 percent, the next \$28,225 is taxed at 15 percent, and your income over \$37,450 is taxed at 25 percent. Any exemption, deduction, or credit you claim removes income from your highest tax bracket.

2015 U.S. ordinary income rates and taxable income brackets

Rate (%)	Single	Head of Household	Married filing jointly (and surviving spouses)	Married filing separately
10	\$0-9,225	\$0-13,150	\$0-18,450	\$0-9,225
15	\$9,226-37,450	\$13,151-50,200	\$18,451-74,900	\$9,226-37,450
25	\$37,451-90,750	\$50,201-129,600	\$74,901-151,200	\$37,451-75,600
28	\$90,751-189,300	\$129,601-209,850	\$151,201-230,450	\$75,601-115,225
33	\$189,301-411,500	\$209,851-411,500	\$230,451-411,500	\$115,226-205,750
35	\$411,501-413,200	\$411,501-439,000	\$411,501-464,850	\$205,751-232,425
39.6	Over \$413,200	Over \$439,000	Over \$464,850	Over \$232,425

Estimated tax payments. Generally, to avoid an IRS penalty, your estimated tax payments and/or payroll income-tax withholding, at minimum, must equal the lower of (1) 90 percent of the current year's tax or (2) 100 percent (or 110 percent) of the prior year's tax liability. The 110 percent requirement applies if your 2014 adjusted gross income (AGI) was more than \$150,000 (\$75,000 if your filing status was married filing separately). No penalty applies if the tax shown on your 2015 return (after withholding) is less than \$1,000.

When you're checking your tax payments, take into account any potential liability you may have for the 0.9 percent additional Medicare tax. The tax applies to wages and self-employment earnings above a specified threshold for your filing status: \$200,000 (single/head of household), \$250,000 (married filing jointly), or \$125,000 (married filing separately).

Estimated taxes are generally paid quarterly in equal installments. If you missed a payment earlier this year or didn't pay enough, you may face an underpayment penalty. If so, consider:

- ▶ Having more income tax withheld from your or your spouse's paychecks before year-end.
- ▶ Taking an eligible rollover distribution from your qualified retirement plan account, if you're ▶

eligible for one, before the end of 2015. Income taxes will be withheld from the distribution. You can then roll over the amount you receive—plus the amount of the withholding—tax free into a traditional IRA or another plan that accepts rollover contributions.

Because the IRS applies withheld tax pro rata over the full tax year, these strategies can be helpful in reducing previous underpayments of estimated tax.

Personal exemption allowance. Each personal exemption you claim (for yourself, your spouse, and your dependents) will reduce your 2015 taxable income by as much as \$4,000. Once your AGI exceeds a specified threshold for your filing status, the tax law phases out personal exemptions and limits certain itemized deductions, increasing your effective tax rate and your tax liability.

For 2015, personal exemptions phase out for single filers with AGI between \$258,250 and \$380,750, for married couples filing jointly with AGI between \$309,900 and \$432,400, for heads of household with AGI between \$284,050 and \$406,550, and for married taxpayers filing separately with AGI between \$154,950 and \$216,200. The itemized deduction limitation applies once AGI exceeds the lower end of the range.

Timing Income and Expenses

Timing income and expenses is a traditional year-end strategy. If you expect your tax bracket to be lower next year, or if you expect your 2015 and 2016 tax brackets to be the same, look for ways to defer the receipt of late-year taxable income to early 2016 (if economically feasible) and to push the payment of deductible expenses into 2015. Conversely, if you expect that your marginal tax rate will be higher in 2016 than in 2015, you may benefit from accelerating taxable income into the 2015 tax year and waiting until 2016 to pay deductible expenses.

Here are some possible ways to shift taxable income into 2016:

- ▶ Delay the receipt of late-year self-employment income until early next year if you're a cash-basis taxpayer.
- ▶ Arrange for a bonus or late-year commission to be paid after year-end.
- ▶ Increase deductible contributions to a 401(k) or other employer/self-employed retirement savings plan for the remainder of the year or make deductible contributions to an individual retirement account (IRA), if you qualify.
- ▶ Wait until 2016 to receive a taxable distribution from your retirement plan or IRA (but be sure to take any minimum distribution that's required if you have reached age 70½).

If you're looking to accelerate deductions into 2015, you might:

- ▶ Make charitable donations before year-end. Pay by credit card or mail your check by December 31.
- ▶ Make your January estimated state and local income tax payment by December 31 and pay enough to cover any projected balance due. Or have more state and local income tax withheld from your pay.
- ▶ Prepay next year's real estate taxes by December 31.
- ▶ Purchase supplies and equipment for your writing business before year-end if those expenses would be incurred in 2016 anyway.

Because certain expenses are deductible only in the amount that exceeds a percentage of your AGI (called the "floor"), you may benefit from bunching those expenses in one tax year to the extent possible. For example, in 2015, the deduction floor for medical and dental expenses is 10 percent of AGI (7.5 percent of AGI if you and/or your spouse is age 65 or over at year-end). Let's say the 10 percent floor applies and you have AGI of \$100,000. In this example, you would need to have at least \$10,001 of medical and dental expenses before you could deduct the first dollar of your expenses.

Because the floor is so high, concentrating medical and dental expenses in a single tax year, to the extent

possible, can be a good strategy. For example, you might schedule and pay for elective surgery, dental work, and eye appointments in 2015 if doing so would result in a deduction. Otherwise, you might postpone those costs until next year in hopes of being able to deduct the expenses on your 2016 return.

Similarly, there's a 2-percent-of-AGI floor on the itemized deduction for miscellaneous expenses and employee business expenses. If it will help you surpass the floor and gain a deduction, you might want to pay professional dues, subscriptions, investment management fees, and other miscellaneous expenses before year-end.

Personal deductions and credits

Because many deductions, credits, and other tax benefits have AGI limits, deductions that are allowed in arriving at your AGI (called "above-the-line" deductions) can be particularly valuable. Above-the-line deductions include, but aren't limited to:

- ▶ Alimony paid
- ▶ Deductible IRA contributions
- ▶ Student loan interest
- ▶ Job-related moving expenses
- ▶ Health savings account (HSA) contributions
- ▶ Self-employment tax deduction
- ▶ Self-employed health insurance costs
- ▶ Self-employed SEP, SIMPLE, and qualified retirement plan contributions
- ▶ Penalty on early withdrawal of savings

You may claim any above-the-line deductions you qualify for *in addition to* either a standard deduction (a set amount based on filing status) or itemized deductions (specified actual expenses). You'll want to itemize if it produces a larger deduction. Below are some ideas for making the most of deduction opportunities.

Deduct home equity interest. Interest paid on a home equity loan or line of credit is potentially deductible regardless of how you use the loan proceeds. The debt must be secured by your primary or secondary residence and can't exceed \$100,000. To gain an interest deduction, you might consider borrowing against your home equity to finance a major purchase, such as a car you'll use for personal purposes. Similarly, consider paying off existing consumer debt with the proceeds of a home equity loan. But exercise caution since your home would act as security for the loan.

Don't overlook mortgage points. You may deduct mortgage "points" (prepaid interest) in full in the year you purchase or build your main home. Alternatively, you may spread out the deduction of purchase points over the life of the loan. If you pay points when refinancing your mortgage, you may deduct them in equal amounts over the life of the loan. If the refinancing is for home improvements, points paid from separate funds are currently deductible.

Look into the home office deduction. If you work from an office in your home, you might consider claiming the home office deduction. It can be figured using a standard rate of \$5 per square foot (maximum of 300 square feet) or by using a prorated portion of your actual home-related expenses. With the standard rate, you don't have to keep records of amounts paid for utilities, trash and snow removal, and similar home-related expenses. This can simplify recordkeeping, but may or may not produce the largest deduction. Either way, you must use the office space exclusively and regularly for business and meet other tax law requirements.

Deduct student loan interest. The above-the-line deduction for student loan interest (up to \$2,500 annually) is available not only for interest paid on your (and your spouse's) qualified education loans, but also for interest on any loans you take to finance your dependent child's higher education. You may continue to claim the interest deduction even after your child is no longer your dependent. If you're married, you must file jointly to claim the deduction. It phases out with joint AGI between \$130,000 and \$160,000 (\$65,000 and \$80,000 for single filers). ▶

Donate appreciated securities. Instead of making a cash contribution to charity, consider donating appreciated securities you've held more than one year. You generally may claim a charitable contribution deduction for the securities' full fair market value (subject to certain limitations and restrictions). You also avoid the capital gains tax that would apply if you sold the securities first and then donated the sale proceeds.

Use available tax credits. While deductions lower taxable income, credits offset income tax, dollar for dollar. In 2015, you may be able to claim:

- ▶ A **child tax credit** of up to \$1,000 for each qualifying child who is under age 17. (Income limitations apply.)

- ▶ An **adoption tax credit** for up to \$13,400 in qualified adoption expenses. (Income limitations apply.)

- ▶ A **household and dependent care credit** for the payment of child care expenses so you (and your spouse) can work. Your child must be under age 13. Up to \$3,000 in expenses (\$6,000 for two or more children) can qualify for the credit, and the minimum credit rate is 20 percent. This credit is also available for the costs of a disabled spouse's or a disabled dependent's care and related household services, again assuming the care enables the taxpayer to be gainfully employed.

- ▶ A **residential energy-efficient property credit** for up to 30 percent of the expenses paid for solar electric, solar hot water, geothermal heat pump, small wind energy, and fuel cell property. The credit covers both equipment and installation expenses. (Restrictions apply.)

- ▶ An **American Opportunity credit** (up to \$2,500 per student) or a **Lifetime Learning credit** (up to \$2,000 per tax return) for the payment of qualified higher education expenses for yourself, your spouse, or your dependents. Various requirements and income restrictions apply.

Your Investments

Capital gains. Review year-to-date investment sales (in taxable accounts) to see where you stand with respect to realized capital gains and losses. How long you hold an investment before selling it generally determines whether a capital gain or loss is considered long term or short term, and the rate at which it will be taxed. The short-term holding period is one year or less. The long-term holding period is more than one year. Net long-term capital gains are taxed at lower rates—generally 15 percent or 20 percent—than short-term gains and ordinary income.

If you have net capital losses that exceed your gains, you may use up to \$3,000 of the loss (\$1,500 if married filing separately) to offset your ordinary income. Any additional capital loss you can't deduct currently is carried forward for deduction in future years until the loss is used up.

Qualified dividends. Most regular dividends paid by U.S. corporations (and certain foreign corporations) can qualify for taxation at the favorable capital gains rates if the investor holds the stock for a minimum period:

- ▶ For common stock, shares must be held for more than 60 days during the 121-day period beginning 60 days before the stock's ex-dividend date.

- ▶ For certain preferred stock dividends, shares must be held for more than 90 days during the 181-day period beginning 90 days before the ex-dividend date.

These holding period rules may be a consideration when you're weighing a purchase or sale of dividend-paying stock.

Taxes are only one factor to consider when planning investment transactions. That said, here are some strategies that potentially can save you tax dollars:

- ▶ To secure favorable long-term capital gain treatment, hold off on selling appreciated securities until you've passed that critical 12-month mark.

- ▶ If you have significant capital gains in 2015, consider realizing some offsetting capital losses on investments you no longer want to own. Just be sure to weigh all relevant factors before you make a decision.

▶ Consider delaying late-year mutual fund purchases until after the fund's ex-dividend date. This can avoid having the most recently declared dividend credited and taxable to you this year.

Self-employment Income and Taxes

Self-employed individuals generally have to pay self-employment (SE) taxes—the counterpart of the Social Security and Medicare (FICA) taxes paid by employees and their employers. If you're self-employed, SE taxes can be a significant expense.

Estimate self employment taxes. In 2015, the 12.4 percent Social Security part of the tax applies to self-employment earnings of up to \$118,500. The 2.9 percent Medicare tax applies to all of your self-employment income. Plus, you'll owe an additional 0.9 percent Medicare tax on earnings over \$200,000 (\$250,000 of combined self-employment income on a joint return; \$125,000 if married filing separately). You may deduct half of your SE taxes (other than the additional 0.9 percent Medicare tax) as an above-the-line deduction on your personal return.

Deduct health care premiums. As a self-employed individual, you may deduct 100 percent of health insurance costs paid for yourself, your spouse, your dependents, and your children younger than 27 at year-end. The deduction can't be for more than your earned income from the trade or business for which you established the health coverage. (Other requirements apply.) Since you claim the deduction as an adjustment to gross income, rather than as an itemized deduction, it may help you qualify for other tax benefits that are subject to AGI-based limits.

Maximize other business deductions. Here are some you don't want to miss:

- ▶ **Costs of building and maintaining** your website, as well as hosting and your domain name.
- ▶ **Mileage for local travel**, for example, to the library for research, to local bookstores to arrange book readings, to buy office supplies, and to nearby writers organization meetings.
- ▶ **Business travel**, including trips to writers conferences and for research purposes. You can deduct airfare and hotel costs, but only 50 percent of meal costs is deductible.
- ▶ **Other research expenses**, such as paying a researcher or virtual assistant to help you.
- ▶ **Agent fees**
- ▶ **Supplies**
- ▶ **Professional fees** for accountants, attorneys, freelance editors, cover designers, and other professionals used in the course of running your writing business
- ▶ **Cost of business-related meals and entertainment** where a serious business discussion with an editor or other professional takes place.

Document all expenses thoroughly with detailed records and receipts.

Take advantage of “expensing.” Consider buying equipment or other assets that can qualify for the Section 179 election to currently deduct (“expense”) the cost rather than claim depreciation over time. Although the \$25,000 Section 179 limit is much lower for 2015 than it has been recently, the election still can be a tax saver. And it's always possible that Congress could act late in the year to restore a higher limit.

Note that the \$25,000 limit is reduced dollar for dollar as the year's purchases of qualifying assets rise from \$200,000 to \$225,000. The deductible amount is further limited to the amount of your taxable income from active trades or businesses.

Hire your child. Paying your child for doing legitimate work for your business can be a tax saver. Reasonable wages paid to your child are deductible as a business expense. The income will be taxed to your child, but the standard deduction can shield as much as \$6,300 from tax (in 2015). Any earnings over that amount will be taxed at your child's rate—which is probably much lower than yours. Wages you pay your child are exempt from FICA taxes until your child turns 18, assuming your business is unincorporated.

Caveat

These general planning strategies may or may not fit your personal tax and financial situations. You should talk with your professional tax advisor before implementing any of the ideas presented. ▲



Photo by Sabrina Ingram

Not Your Usual Writing Advice

By JoAnn Grote

The Idyllic Setting

*“Everything vanishes around me, and works are born
as if out of the void.”*
— Paul Klee

Were you one of those people who, before publication or even after, dreamed of a life writing stories in the midst of nature’s beauty and peace? Nothing to disturb the story you were weaving but bird songs and squirrels’ chatter, waves lapping a shoreline, and the breeze rustling leaves or a soft rain or snow pattering through them; looking up from the computer or page to see deer feeding in the yard or an eagle gliding over a lake; and perhaps flames dancing in the fireplace during a blizzard while you wrote in a large, comfy chair or at a desk looking out on the peace-filled vista.

I’ve been fortunate to experience all of that. I’ve lived in North Carolina in a secluded home surrounded by woods with a creek flowing past, a screen porch on which to write and enjoy the view in summer, and a large den with a cozy fireplace and huge windows to use as an office in winter months. I’ve lived in a townhouse where my favorite place to write was on the screen porch overlooking a pond loved by ducks and geese. I’ve lived on a farm on the Minnesota prairie with a view of rolling fields and a corral where a beautiful bay horse ran and apple and cherry trees were covered with blossoms in the spring.

Idyllic? Some moments were, yes.

There was the time the walls of the septic tank for the North Carolina house fell in on New Year’s Eve; there was no city water where we lived and no one eager to repair a septic tank on the holiday. My husband was out of town. I’d stayed home to complete a manuscript, as you might expect. That plan went well.

There was the ice storm that felled over two dozen of the lovely old trees lining our yard; not much time for writing on, yes, another deadline while we cleaned that up. I did get a little writing done by hand and by candlelight in the evenings after chopping and piling wood all day in the yard, and carrying wood inside to the den fireplace to keep ourselves and the pipes from freezing, and heating meals in the fireplace for the three days following the storm during which we had no electricity. The yard cleanup went on for a couple weeks. On the plus side, I did end up with a better feel of what life was like for characters in the historical novels I wrote.

Life on the Minnesota prairie left the least time to write or lift my gaze to an inspiring view. We didn’t raise cattle, dairy cows, or poultry, but mornings began with feeding the horse and barn cats and mucking the stall—some days after digging a path through the snow to reach the barn and clearing snow from in front of the barn door to get inside. One cloudless winter day when the sunshine sparkled off the snow-covered fields, a UPS truck rolled down our three-quarter-mile-long driveway as I emerged from the barn, where I was mucking the stall of that beautiful horse. The driver had a deep belly laugh going when he pulled up beside me. It took a minute for him to stop laughing so he could explain what he found so humorous. “I was driving down the road thinking how sad it is that people in town don’t get to enjoy this beautiful scene, and then I saw you pushing that wheel barrow filled with ****.”

As for enjoying wildlife, the otherwise fascinating creatures weren't so cute when they stole food from the barn cats I loved or hunted the kittens. We battled "adorable" raccoons, not-so-attractive opossums, sleek foxes, smelly skunks, and wily coyotes, as well as breathtaking owls, red-tailed hawks, and bald eagles (all three of which it was illegal to kill, even if they were killing our kittens and cats). Deer did occasionally race across the land, sometimes emerging from seven-foot-high sweet corn stalks to run alongside the bay Arabian mare with her black mane and tail flying. That same mare led me on a merry chase one winter morning after she broke through the fence and disappeared. Of course, more writing time was spent repairing the fence after she was located hanging out with some horses a couple miles away. Then there was the morning it was 25 degrees below zero, without wind chill factored in, and I had to dig the horse trailer out of a deep snow drift to take the mare to the vet, as she'd cut her leg badly during the night, followed by days and evenings changing bandages while the leg healed.

One summer evening, a storm came across the prairie and dropped baseball-sized hail on our place, destroying siding and breaking every window in all six buildings. Most of the repair work we hired out, but the cleanup was extensive, and anyone who has gone through a period with construction people at the house understands the interruption to one's writing in spite of their welcome presence.

I lived in a third floor apartment during one of my most productive writing periods. Nothing about the apartment fit my picture of the idyllic setting for a writer. It was located in a building surrounded by roads, parking lots, and other buildings. There was little grass and few trees near, and certainly no views of mountains, forests, lakes, or oceans. When I opened the windows (or left them shut) the usual clutter of human noises that comes with apartment living filled the air, not bird songs or leaves whispering in gentle breezes or soft rains. There wasn't much wildlife or even outdoor domestic animals to enjoy, though I did once see a skunk slink along the string of apartment garages, and I did adopt a little black cat that hung around the same area.

On the other hand, I didn't spend time on the care and maintenance of home and outbuildings, land and animals that came along with my life in what I had thought the better settings for a writer's creativity and productivity. Repairs, lawn care, and snow removal were the responsibility of others, so did not draw me away from writing. There were no stately old trees to shade my apartment, but neither were there any to fall through my roof or fill the yard with windfall when I was only a week away from a book deadline.

What I've learned in the 22 years since I was first published is that the true idyllic writing life has nothing to do with where a writer writes. It isn't what we see when we look around our homes, inside or outside, that makes up the ideal writing life. The ideal writing life is created wherever we are located when we choose day after day to translate the stories and characters that live in our imaginations, where only we can see them, onto the page to reveal and share with others.

Yet, I admit I still daydream of writing in a log cabin by a lake in the north woods ▲

Business Briefs

Settlement in Author Solutions Case

The case was discontinued without prejudice in mid-August after the two parties agreed to a settlement. A group of authors brought charges against Author Solutions in April 2013. Among the charges was a question on fraudulent practices of promoting worthless services to clients. The judge in the case denied class action status to the plaintiffs on this issue due to lack of evidence of any "centrally orchestrated scheme" to defraud. After continued changes, only two plaintiffs remained for the undisclosed settlement. Another suit has been filed against Author Solutions in Indiana by a different group.

PW Daily

The Mad Scribbler

By Laura Resnick



To Dig, or Not to Dig

“How can I learn any moral lessons, when you keep confusing me like this?”

— Philippe Gaston chiding God, *Ladyhawke*

In one of my sporadic attempts to become the person I aspire to be, I recently dug a hole in my yard that’s about the size of a grave, though not as deep.

No, a grave-digger is not who I yearn to be. Rather, someone who *gets things done* is the ideal Laura Resnick of my dreams. In this case, three summers have passed without me taking a single step toward installing the paved areas in my yard that I’ve been planning (with specially purchased garden-design software!) ever since I moved into this house. First among these proposed endeavors is a small paved area for my refuse bins, which currently sit in mud. I bought the paver stones months ago. I bought the paver-base gravel weeks ago. Yet my bins still sit there in the mud—and, by now, they *mock* me.

So a few days ago, determined to be a better me, I hauled my shovels out of the basement and dug the hole for the bin area. Just like that! Like a person who *gets things done*. And then ... as I was finishing my digging—and in direct contrast to the weather report I had conscientiously checked before beginning—the skies opened up and unleashed upon me a downpour of apocalyptic proportions. Within minutes, my laboriously dug hole filled up with water and became an unworkable mess. Also in contrast to the original weather report, it has rained nearly every day since then, and I by now have a swampy health-hazard in my yard, rather than a paved area for my bins.

Oh, ye gods above, how am I supposed to learn to stop procrastinating and get things done if you inflict lessons like *this* on me?

As if directly complementing that lesson in the disadvantages of actually *doing* something, a couple of serious problems in my career over which I have fretted, gnashed my teeth, and torn my hair for some years have lately evolved on their own and now seem to be substantially mitigated or even solved ... entirely *because* I procrastinated for so long. There is a very real sense in which things are probably going to work out better for me, in the long run, as a result of my never having gotten around to *doing* something about these problems.

This seems counter-intuitive. Especially when it comes to dealing with publishers, whose handling of writers, our work, and our careers too often spirals into neglect, chaos, incompetence, and a kind of malicious apathy if we leave them to their own devices.

I battle with lessons like the ones I’ve just described precisely because I sincerely believe that problems only get worse and jobs only get bigger if you put off tackling them. (Sadly, though, this belief doesn’t prevent me from procrastinating and tail-chasing—sometimes for *years*.) And I can certainly look back at many events in my career and say firmly, “This only turned out all right because I tackled that problem and was proactive about solving it.”

For example, I got “orphaned” only two months after my first book sale. My acquiring editor left, and I was reassigned to a coldly resentful editor who baldly told me, when I phoned her to introduce myself, that I would never sell another book to that house. No one had asked her if she minded having me dumped on her desk, but she *did* mind, and she would not work with me.

I was a brand-new writer with no reputation or contacts, and I stalled and tail-chased for several months on that problem, hoping it would somehow solve itself; but it didn’t. So I finally went over her head, requested reassignment, and got it. And instead of going away quietly, as that editor had urged me to do, I sold 10 more books to that house over the next few years. (No, I never again encountered that editor. She quit her job and left the publishing business.)

In a much more singular incident, I once wrote a fantasy novel so long that the publisher required me to split it into two novels. I did so and delivered both books, which were scheduled for release about six months apart. I had a contract only for one book, so my then-agent called the acquiring editor about finalizing a contract for what was now the second novel. We assumed I’d get the same advance and same terms. But the editor responded by saying that the house was going to publish the second novel ... without issuing a contract for it, or licensing any rights, or paying me an advance. (Without a contract, there would presumably also be no obligation to pay me royalties.)

As you may imagine, I argued against this. *Very strenuously*. I pointed out the same things I can practically hear you thinking right now: Publishing my work without a contract would be piracy. I would sue for copyright violation, and I would win. And that house’s reputation would be substantially damaged by publishing a book in such circumstances. How could they even *think* of doing this?

The editor insisted that because the *contents* of the second book were the conclusion of a story begun in a contracted novel, the publisher already held the rights and had no need to license anything—or to *pay me*—for a book they were going to package and publish separately.

Obviously, if that were a valid argument, then only the *first* book would ever be contracted for any multi-book series with a continuing storyline. The reason that this is *not* how series are acquired or published is that it’s an utterly idiotic, nonsensical argument that no one with a functioning brainstem would ever take seriously.

But that editor wouldn’t budge. We went around and around with him about this, but he insisted this was the company’s position, they were going to publish the book without a contract, and there was nothing I could do about it.

(This was, by the way, a senior editor at major house, an imprint of one of the “Big Five,” not some fly-by-night scam operation. I mention this because it would be quite understandable if you assume the latter scenario.)

So I instructed my then-agent to pull both of those manuscripts from the publisher, because I would not work with pirates. This wasn’t a bluff. It was the **do something, and do it right now** decision I made when I realized I was not going to get a contract for that book. There are crossroads in a career where you plainly cannot—and *must* not—stall, tail-chase, wait for a sign from the universe, or hope things get better on their own. And this was one of them.

But this story, too, has a happy ending. My instructions to pull both books motivated the literary agent to contact the publisher’s legal department, as well as the CEO, to protest their plan to publish my book without issuing a contract or licensing the rights. To which their same-day reply was (I paraphrase), “Yes, we’ll issue a contract for the book.” Which they did.

No one ever apologized to me or explained what had happened. My impression was that the original and steadfast refusal to issue a contract had originated with the editor, without the company’s knowledge; but that’s just a guess. And as far as I know, the editor experienced no consequences for his behavior. (Or, indeed, for any other behavior that he inflicted on me; he was the single most unprofessional person I’ve ▶

The Mad Scribbler

“Experience is still the best teacher, though not always a kind one, and what it has taught me is that decisions and actions are usually right when I know what I want, how I intend to pursue it, and am willing to accept the consequences.”

ever worked with.) There were also numerous other instances with that editor—and that company—where my career (and my finances) would have been severely damaged if I had not been prompt, emphatic, and energetic about tackling problems and pursuing solutions.

As we travel on the long and rocky road of a writing career, it would certainly be useful if we had a reliable roadmap or rulebook to follow when we face problems, setbacks, and opportunities. If I knew “back then” what I know now, there are a number of things I’d have done differently. I would not have wasted so much thought and energy on certain career problems that didn’t matter that much in the long run, or on quandaries that eventually wound up solving themselves. Yet there are other problems or opportunities that I would tackle much sooner and more decisively than I did.

Experience is still the best teacher, though not always a kind one, and what it has taught me is that decisions and actions are usually right when I know what I want, how I intend to pursue it, and am willing to accept the consequences; and stalling or doing nothing is usually right if not all of that is so (or not yet so). Most of the time, this system works out well. But sometimes, alas, it leaves me stuck with a swampy hole I’ve dug all by myself right outside my back door. ▲

Business Briefs

Hotels.com and Simon & Schuster Book Promoters

Spend two nights or more in certain U.S. hotels and you can download one of the following books: *Mr. Mercedes* by Stephen King, *The Glass Rainbow* by James Lee Burke, *The White Queen* by Philippa Gregory, *Crazy Love You* by Lisa Unger, *I am Pilgrim* by Terry Hayes, *You* by Caroline Kepnes, and *The Ascendent* by Drew Chapman. This is the launch set for Simon & Schuster’s new discoverability effort in partnership with Hotels.com, and will be refreshed with other titles at a set time.

PW Daily

New Look for Children’s Bestseller List at NYT

At the end of August, the *New York Times* gave its children’s bestseller list a new look and a new category. The new category created a hardcover middle grade list and a hardcover YA titles list, while paperbacks and e-books will each have listings under middle grade and YA. Access changed as well with hardcover listings available in print. Paperback and e-book lists will appear online. The change is to assist discoverability for authors, readers, and publishers. The addition of paperbacks also increased the number of books on the lists.

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