



# CHIPS & Chatter

THE SILICON VALLEY WOODTURNERS' NEWSLETTER

## Marya Cobb talks tax angles

*Marya Cobb gave us a crash course in tax issues for turners.*



MARYA COBB IS AN ENROLLED AGENT FOR UNITED REVENUE SERVICE, INC., A SARATOGA TAX PREPARER, WHERE SHE'S WORKED FOR A YEAR AND A HALF. THE COMPANY CATERS TO SMALL BUSINESSES AND MEDIUM- TO HIGH-INCOME PEOPLE.

Marya began with an overview of what her company does and how the U.S. tax service works. She stresses that even if we have a professional prepare our taxes, we must be familiar with the returns we sign because we may have to defend them. Marya doesn't suggest filing over the internet because there's not a hard copy of what you input, and the programs sometimes ask questions whose simplistic answers trigger unwarranted taxes. Also, if you think you don't have to file because you have

no income, it's best to file anyway to prove you don't need to file. (Hey, you're dealing with the government here.)

Her company can help people get their books in order. If people can't be ready, they need to file for extensions, pay an estimated tax, and file later.

If people have a home in a state without taxes and they spend over 182 days a year there, they can have a "tax home" there and a "vacation home" here and pay California tax only on money earned in California.

Marya points out that we must pay taxes on hobby income, so we should be wary of cash payments and keep good records to prove how much money we make. She says it's best to open a separate bank account for hobby income and expenses.

If you sell a lot of bowls at a show, make an estimated quarterly tax payment to avoid penalties that

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# PRES SEZ



## If you

did not go, you reallllllllllllly missed it!! We had a great time at the SVW Annual Picnic. The people, the food, the stuff For sale, and the TURNINGS!!! Each year the turnings in this event are something to behold, and this year was no exception.

Congrats to all of the winners (and we had a bunch). I'm sure they will be posted in this newsletter for you to see, I helped Jim with some of the picture taking so I know you will see some photos. Did I mention the FOOD? We started eatin' stuff about 2 P.M., and we were still doin' some eatin' at 7. We had FOOD! Thanks to all that came and brought (did I mention Food?) stuff to share. I also need to say a special thanks to some of the staff. Herb

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## Next Meeting

Join us on Wednesday, Sept. 3rd, at 7 P.M. (no August meeting), when our own Dick Jessing demonstrates threading techniques. Location: Rich Johnson's Woodturning Center in San Jose.



Rich's Center is located behind his home at 14979 Joanne Ave., San Jose. From Hwy. 680, take the McKee Road exit East about 1.5 miles to Toyon Ave. Turn left and go 0.6 mile, turn right onto Joanne Ave.

Remember: Bring your chair and items for Show and Tell. We all learn together.

did good getting the winner ribbons but he went and TURNED the Best of Show Award!!! It was great!!! Just ask winner MIKE RUDE!! How did we figure out the winner, you ask?? Well there is the other big "Thank you", to Al Gore. We came up with an Idea for judging after attending the Pen Makers event in Utah in May. AL helped with the Idea and made forms, entries, and ballots for all to use. It worked out great, and from the feedback I've gotten, everyone was well pleased with the results and the way Al put it together. Did I mention FOOD? Thanks to CRAIG once again for getting, preparing, COOKING, and even serving the Steaks and Chicken. They were once again AWESOME!! We have got to do this again!!! (Did I mention the food?)

We will NOT have a meeting in August or a Sawdust Session following next week. Michelle and I are goin' on a VACATION, a cruise, a boat ride, an adventure. We are doin' the "Inland Passage" thing, so I hope you do not have "Sawdust withdrawals". We will be back and the Sawdust Sessions will continue 8/20. I promise.

One last thing. Please sign up for the next H & G show. It's at Santa Clara the end of August. We need your help to staff this event.

*Rich*

PRESIDENT'S CHALLENGE: A GLUE UP

# TURNING OUT

## Show & Tell, President's Challenge

Mike Rude brought a small bowl of figured koa, finished with #66 oil and the Beale system.

Tom Donnelly turned a piece of oak on his new Stubby, but it cracked and flew apart during turning. He tried a walnut piece, well turned but cracked in drying. Finally he turned a little goblet of cocobolo and walnut that came out well.

Tony Bryhan brought in a myrtle bowl, a challenge to turn because of rot and holes. He finished it with tung oil.

Rich Johnson turned a weed pot from one of the banksia pods he offers for sale. He also turned a hollow form of red gum eucalyptus.



### President's Challenge

Josh Salesin displayed an inlaid urn of box elder burl and blackwood, finished with Deft.

Tom Donnelly showed a laburnum goblet.

Mike Rude showed champagne and wine goblets of glass with cocobolo or bubinga stems, and a walnut goblet with triple-twist stem.

Bob Tang brought in a mushroom forest, with several mushrooms on a piece of rotten wood, wire brushed and finished with lacquer.



*Clockwise from top left: Mike Rude, Josh Salesin, Tom Donnelly, Mike Rude, Bob Tang, Rich Johnson, Tony Bryhan, and Tom Donnelly.*



*Challenge,  
con't. from  
pg. 3.*

Dick Jessing showed a goblet of bocote, finished with sanding sealer and wax.

Herb Green presented a tiny goblet of African blackwood with an art deco style to it.

Jim Gott showed a pierced goblet of privet, dried about a year. This goblet is the special raffle prize.



Rich Johnson turned 3 small goblet of banksia pod, two of which fell apart in areas, but the last one turned out.

Phil Roybal showed off a hollow form inspired by a tomato, turned on two axes, then carved and painted.

Mike Rude and Jim Gott won the President's Challenge drawing.



*Clockwise from the top left: Dick Jessing, Rich Johnson, Phil Roybal, Jim Gott, Herb Green.*

*Jim Gott's elegant pierced goblet will be the special raffle prize for the September meeting.*



might arise from uneven distribution of income over the year. Most salaried people have their taxes paid by payroll withholding, so taxes are always proportional, but those who are profitable in their hobbies must keep their IRS accounts roughly current with their hobby income.

By setting up your hobby as a business, you show business intent and can buy assets, which could later be sold back to you at low value. You can loan the corporation money to buy an asset such as a lathe. You can depreciate capital equipment such as a lathe and tools. Even if you break even for hobby activities, if you have other income to offset, you could have a net savings. But you have to look like a business.

Keep an appointment book, as well as records of expenses and efforts to create business income. Have a business account. Have a web site and show your wares. Have a business credit card. Record your transactions so you can see what you spend and make in your business. Then you can deduct not only direct expenses but the incidental expenses of the hobby work. If you show a loss on Schedule C, especially three years in a row, you'll probably get audited, and will need to make a convincing case that you are in a craft business with profit potential.

Marya's company can handle incorporation for you. To become a corporation, you pay a \$975 fee, plus about \$900/year in corporation and administrative fees, and they take care of the details. They can also help you with tax preparation and planning for your business and personal affairs.

Thanks for the presentation, Marya.

# SVW's annual picnic and show

	# Entries	First Place	Second Place	Third Place
<b>Bowls</b>	6	Jim Gott	Josh Salesin	Bob Tang
<b>Natural Edges</b>	6	Mike Rude	Josh Salesin	Bob Tang
<b>Craft Items</b>	5	Jim Gott	Rich Johnson	Gary Petretti
<b>Goblets</b>	4	Mike Rude	Bob Tang	Rich Johnson
<b>Hollow Forms</b>	5	Bob Tang	Jim Gott	Mike Rude
<b>Segmented</b>	2	Josh Salesin	Bob Tang	
<b>Spindle Turning</b>	1	Ace Foster		
<b>Plate/Platter</b>	2	Bob Tang	Bob Tang	
<b>Best in Show</b>		Mike Rude		

We held our annual picnic at the Johnson's house, and a good time was had by all.

Festivities included an instant gallery and contest, judged by attendees. Results are above, and pictures of the winning entries are below and



*Best of Show: Mike Rude*

## BOWLS



*Winning items, left to right: Jim Gott, Josh Salesin, Bob Tang.*

## NATURAL EDGE



*Winning items, left to right: Mike Rude, Josh Salesin, Bob Tang.*

## CRAFT ITEMS



*Winning items, left to right: Jim Gott, Rich Johnson, Gary Petretti*

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*Annual Picnic, winning items, continued from page. 6.*

## GOBLETS



*Winning items, left to right: Mike Rude, Bob Tang, Rich Johnson*

## HOLLOW FORMS



*Winning items, left to right: Bob Tang, Jim Gott, Mike Rude*

## SEGMENT



*Winning items, left to right: Josh Salesin, Bob Tang*

## SPINDLE TURNING



*Winning item: Ace Foster*

## PLATE/ PLATTER



*Winning items both by Bob Tang*



# STAFF REPORTS & OTHER BUSINESS

## PRESIDENT (RICH JOHNSON)

We have lots of new members, and both new and old members have complained about how hard it is to remember names. Therefore, starting at the Sept. meeting, people must wear name badges. We'll print badges for everyone, and we'll have a bowl to store in here. Make your own or wear a printed one.

## SECRETARY/EDITOR (PHIL ROYBAL)

New library list and member roster are now available on our Yahoo group site. Printed name badges will be available for all members at the September meeting.

## VP/PROGRAM CHAIR (HERB GREEN)

Graeme Priddle's demo attracted 23 people, and got lots of good comments.

Mike Hosaluk will present an all-day demonstration on Sunday, Sept. 14th. Tickets are \$25, including lunch. Craig will cook lunch and gets free admission. Mike Mahoney will be coming sometime in October.

Rich Dege will demonstrate Ball Turning at our October meeting.

## APPAREL (DICK PICKERING)

Dick has hats. If you staff a show, you must wear an SVW hat or shirt, both to meet our contractual obligations and to attract new members. He also has iron-on transfers at \$1 each, which are ideal to apply to a white shirt for summertime activities where our blue shirts are too hot.

## TREASURER (JIM GOTT)

### GRAEME PRIDDLE DEMO

<b>Income</b> (tickets, lunch)	\$570
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#### Expenses

Graeme's fee	\$600
Donuts	\$ 22.98
Lunch	\$135.83

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<b>Net Cost to SVW</b>	<b>\$188.81</b>
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### MONTHLY REPORT

#### Income:

Priddle tickets	\$125
Library	\$2
Apparel	\$5
Raffle	\$63
Bank interest	\$0.22

#### Expenses:

Videos (Craig)	\$362.93
Videos (Pat Gott)	\$71.93
Merryll Salan demo	\$50
Merryll & husband dinner	19.90
Website fees	\$95.78
Priddle demo fee	\$600
Priddle donuts (Gore)	\$22.98
Priddle lunch (Thorson)	\$135.83

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<b>New Balance</b>	<b>\$1382.72</b>
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## Library (Jeff Thorson)

We got several new books in the library. Treat them carefully and check them out. They will be added to the library list soon.





## Graeme Priddle carves and burns.

Graeme Priddle put on a great demo for 23 interested SVW members at Rich's Woodturning Center in July.

Priddle, who hails from New Zealand (don't ask him if he's Australian!) spent the day demonstrating the carving and pyrographic techniques he uses to sculpt and texture turnings destined for galleries and private collections around the world. The piece in his hand (upper left) was later in the AAW Symposium gallery, priced around \$2700.

Graeme demonstrated how he uses an air hammer to quickly texture large surfaces, with a texture similar to what some of us develop

with a ball mill in a rotary carver. He used a 60,000 RPM air die grinder to carve into the outside of a form before hollowing, so that the hollowing would open up windows through the walls where they'd been carved.

Graeme also demonstrated the Excaliber wood burning system with a variety of custom tips he makes out of Nichrome wire to suit the design he's working on.

Graeme is a personable and engaging demonstrator, and was well liked by the audience. Many of us came away with a list of things to try (and tools to buy) for our next project. Great demo!

# FOR SALE

Even Roy wants to know...  
**How did you do that?**

Rich Johnson's Woodturners' Boot camp.  
Learn the basics, from chainsaw to polish.  
An all day class. Book available. Sign up  
now. (408) 254-8485.



## Woodfast lathe for sale

16" capacity, variable  
speed, good condition.

Credit card OK. E-  
mail Josh Salesin at jls-  
epi@pacbell.net for more  
info.

*Affordable  
Elegance*  
*Custom  
Embroidery*

**Deborah  
Bress**

TEL: 408/243-6363  
FAX: 408/244-0307  
affordableelegance@netzero.net

## SVW OFFICERS

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## MENTOR PROGRAM

Our Mentor program now includes five vol-  
unteer mentors. Contact Phil Roybal to join  
the list. Members who need some help (but  
not formal lessons) can contact:

Rich Dege	(408) 272-8122
Jim Gott	(408) 265-9501
Rich Johnson	(408) 254-8485
Ron Newcomb	(510) 797-6665
Phil Roybal	(408) 255-4789

# SVW's annual picnic and show (addendum)

I forgot to include the winners of the Lidded category in the newsletter. Apologies to winners Josh Salesin, Bob Tang, and Mike Rude.

	# Entries	First Place	Second Place	Third Place
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<b>Hollow Forms</b>	5	Bob Tang	Jim Gott	Mike Rude
<b>Segmented</b>	2	Josh Salesin	Bob Tang	
<b>Spindle Turning</b>	1	Ace Foster		
<b>Lidded Turnings</b>		Josh Salesin	Bob Tang	Mike Rude
<b>Plate/Platter</b>	2	Bob Tang	Bob Tang	
<b>Best in Show</b>		Mike Rude		

## LIDDED TURNINGS



*Winning items, left to right: Josh  
Salesin, Mike Rude, Bob Tang*