

New Tax Law Includes Numerous Tax Breaks

WASHINGTON (AP) — Tucked into the “fiscal cliff” tax package approved by Congress are billions of dollars in tax breaks that should make the new year a lot happier for businesses of many stripes, including film producers, race track owners and the makers of electric motorcycles.

In all, more than 50 temporary tax breaks were renewed through 2013, saving businesses and individuals about \$76 billion. Congress routinely renews the tax package, attracting intense lobbying — and campaign donations — from businesses and trade groups that say the tax breaks help them prosper and create jobs.

Businesses have grown used to many of the longstanding tax breaks, but they also have had to get used to the uncertainty of whether they will be renewed each year. This time around, as lawmakers struggled to reach consensus on a wide range of tax issues, the tax breaks were allowed to expire at the end of 2011.

The package passed by Congress this week and signed by President Barack Obama renews the tax breaks retroactively, so taxpayers can claim them on both their 2012 and 2013 tax returns.

The biggest of the bunch, a tax credit for research and development, helps U.S. manufacturers compete against foreign competition, according to the National Association of Manufacturers. Another provision helps restaurants and retailers expand by allowing them to more quickly write off the costs, according to the National Restaurant Association.

U.S. Hiring Shows Signs Of Strength

WASHINGTON (AP) — The U.S. job market showed resilience in three reports Thursday, suggesting it may be able to withstand a federal budget battle that threatens more economic uncertainty in coming months.

A survey showed private hiring increased last month, while layoffs declined and applications for unemployment benefits stayed near a four-year low. The data led some economists to raise their forecasts for December job growth one day before the government releases its closely watched employment report.

“The job market held firm in December despite the intensifying fiscal cliff negotiations,” said Mark Zandi, chief economist at Moody’s Analytics. “Businesses even became somewhat more aggressive in their hiring at year end.”

The most encouraging sign came from payroll provider ADP. Its monthly employment survey showed businesses added 215,000 jobs last month, the most in 10 months and much higher than November’s total of 148,000.

Economists tend to approach the ADP survey with some skepticism because it has diverged sharply at times from the government’s job figures. The Labor Department releases its employment report Friday.

Trial To Begin In Boston Over Pregnancy Drug

BOSTON (AP) — Trial is set to begin Friday in a lawsuit brought by four sisters who say their breast cancer was caused by a drug their mother took during the 1950s when she was pregnant.

Jury selection is scheduled in federal court in Boston in case involving DES, or diethylstilbestrol. Millions of pregnant women were prescribed the drug between the 1930s and the early 1970s to prevent miscarriages, premature births and other problems.

Drug companies argue that no firm link between DES and breast cancer has been established.

The Melnick sisters say they all developed breast cancer after their mother took DES during pregnancy. They say their mother was not on DES while pregnant with a fifth sister. And that sister has not gotten breast cancer.

Fighting Rages Around Syrian Military Air Base

BEIRUT (AP) — Syrian troops and rebels fought intense battles Thursday around a strategic air base in the country’s north and a suburb of the capital that government forces have been trying to capture since last month, activists and state media said.

The fighting is part of the escalating violence in a Syrian civil war that the United Nations estimates has killed more than 60,000 people since the revolt against President Bashar Assad began in March 2011.

The Britain-based Syrian Observatory for Human Rights said rebels stormed parts of the Taftanaz air base in the northwestern province of Idlib before withdrawing. The state-run SANA news agency said government forces protecting the base “repelled the terrorists’ attempt to attack the airport” and inflicted heavy losses. The Syrian regime routinely refers to rebel forces as “terrorists.”

The Observatory said rebels resumed their assault early Thursday in an attempt to capture the base, which has resisted several opposition efforts to take the facility in recent months.

The rebels have been pursuing a strategy of attacking airports and military airfields, targeting five air bases in Idlib and the nearby province of Aleppo, trying to chip away at the government’s air power, which poses the biggest obstacle to advances by opposition fighters.

New School Opens For Sandy Hook Children

MONROE, Conn. (AP) — For her son’s first day of school since last month’s massacre at his Sandy Hook Elementary, Sarah Caron tried to make Thursday as normal as possible. She made his favorite pancakes, and she walked the second-grader to the top of the driveway for the school bus.

But it was harder than usual to say goodbye.

“I hugged him a lot longer than normal, until he said, ‘Mommy, please,’” she said. “And then he got on the bus, and he was OK.”

Her 7-year-old son, William, was among more than 400 students who escaped a gunman’s rampage that killed 20 first-graders and six educators at Sandy Hook on Dec. 14. On Thursday, the returning students settled in at their old, familiar desks but in a different school in a different town.

Returning students, teachers and administrators were met by a large police presence outside their new school in the neighboring town of Monroe, where a middle school that had been shuttered for nearly two years was overhauled and renamed after their old school. Several officers guarded the entrance and checked IDs of parents dropping off children.

Rate On 30-Year Mortgage Slips To 3.34 Pct.

WASHINGTON (AP) — Average U.S. rates on fixed mortgages moved closer to their record lows this week, a trend that has made home buying more affordable and helped sustain a housing recovery.

Mortgage buyer Freddie Mac said Thursday that the average rate on the 30-year loan slipped to 3.34 percent from 3.35 percent last week. That’s near the 3.31 percent rate reached in November, the lowest on records dating to 1971.

The average on the 15-year fixed mortgage ticked down to 2.64 percent from 2.65 percent last week. The record low is 2.63 percent.

The 30-year fixed mortgage rate averaged 3.66 percent in 2012, the lowest annual average in 65 years, according to Freddie Mac.

Cheaper mortgages are a key reason the housing market began to come back last year and many economists predict the recovery will strengthen in 2013.

In November, sales of previously occupied homes rose to their highest level in three years, while new-home sales reached a 2 1/2-year high. Home prices are steadily increasing, which makes consumers feel wealthier and more likely to spend.

Another reason for the recovery: the nation doesn’t have enough houses for sale. The number of new homes available for sale at the end of November was just slightly above the lowest on records dating to 1963. And the supply of previously occupied homes for sale was at an 11-year low that month.

A limited supply has created demand for new construction, which has made builders more confident.

Lower mortgage rates also have persuaded more people to refinance. That typically leads to lower monthly mortgage payments and more spending. Consumer spending drives nearly 70 percent of economic activity.

Issues Loom As New Congress Begins

BY DAVID ESPO

AP Special Correspondent

WASHINGTON — A new Congress opened for business Thursday to confront long-festering national problems, deficits and immigration among them, in an intensely partisan and crisis-driven era of divided government. “The American dream is in peril,” said House Speaker John Boehner, re-elected to his post despite a mini-revolt in Republican ranks.

Moments after grasping an oversized gavel that symbolizes his authority, Boehner implored the assembly of newcomers and veterans in the 113th Congress to tackle the nation’s heavy burden of debt at long last. “We have to be willing — truly willing — to make this right.”

Also on the two-year agenda is the first significant effort at an overhaul of the tax code in more than a quarter century. Republicans and Democrats alike say they want to chop at a thicket of existing tax breaks and use the resulting revenue to reduce rates.

There were personal milestones aplenty as the winners of last fall’s races swore an oath of office as old as the republic.

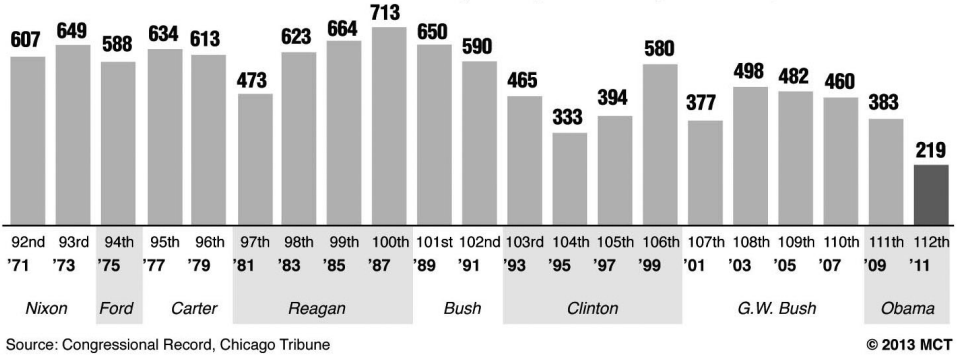
Sens. Heidi Heitkamp of North Dakota, Elizabeth Warren of Massachusetts, Tammy Baldwin of Wisconsin, Mazie Hirono of Hawaii and Deb Fischer of Nebraska were among the newcomers sworn in, raising the number of women in the Senate to a record 20. Tim Scott of South Carolina became the first black Republican in the Senate in more than three decades.

On the first day of a new term, one veteran made a stirring comeback. Republican Sen. Mark Kirk of Illinois returned to the Capitol for the first time since suffering a stroke a year ago, walking slowly up the 45 steps to the Capitol with the use of a cane. “Good to see you, guys,” he said.

Across the Capitol, children and grandchildren squirmed through opening formalities that ended with Boehner’s election as the most powerful Republican in a government where

A do-nothing Congress

The just-ended 112th Congress passed 219 bills over the two-year session, the lowest total in the past 42 years of Congress; a comparison:



President Barack Obama will soon be sworn in to a second term and his fellow Democrats control the Senate.

“At \$16 trillion and rising, our national debt is draining free enterprise and weakening the ship of state,” said the Ohio Republican, whose struggles to control his members persisted to the final week of the 112th Congress when “fiscal cliff” legislation finally cleared. “The American dream is in peril so long as its name-sake is weighed down by this anchor of debt. Break its hold and we will begin to set our economy free. Jobs will come home. Confidence will come back.”

Senate Majority Leader Harry Reid, D-Nev., said he, too, is ready for attempts to rein in federal spending, but laid down a few conditions. “Any future budget agreements must balance the need for thoughtful spending reductions with revenue from the wealthiest among us and closing wasteful tax loopholes,” he said. That was in keeping with Obama’s remarks after Congress had agreed on fiscal cliff legislation to raise taxes for the wealthy while keeping them level for the middle class.

Boehner and Senate Republican Leader

Mitch McConnell have other ideas, both having said in recent days that the days of raising taxes are over.

“Now is the time to get serious about spending,” McConnell said. “And if the past few weeks have taught us anything, that means the president needs to show up early this time.” People won’t “tolerate the kind of last-minute crises that we’ve seen again and again over the past four years as a result of this president’s chronic inactivity and refusal to lead on the pressing issues of the day.”

While neither Boehner nor Reid mentioned immigration in their opening-day speeches, Obama is expected to highlight the issue in the first State of the Union address of his new term. Lawmakers are already working toward a compromise they hope can clear both houses.

Most Democrats have long favored legislation to give millions of illegal immigrants a chance at citizenship, and Republicans have stoutly resisted. Now, though, many within the GOP appear ready to reconsider, after watching with alarm as Obama ran up an estimated 71 percent of the Hispanic vote in winning reelection over Mitt Romney in November.

American Missiles Kill Senior Taliban Militant In Pakistan

BY REBECCA SANTANA
AND ISHTIAQ MAHSUD

Associated Press

ISLAMABAD — An American drone strike in Pakistan has killed a top Taliban commander who sent money and fighters to battle the U.S. in Afghanistan but had a truce with the Pakistani military, officials said Thursday.

While the death of Maulvi Nazir was likely to be seen in Washington as affirmation of the necessity of the controversial U.S. drone program, it could cause more friction in already tense relations with Pakistan because Nazir did not focus on Pakistani targets.

Nazir was killed when two missiles slammed into a house in a village in South Waziristan while he was meeting with supporters and fellow commanders. Eight other people were killed, according to five Pakistani security officials, speaking on condition of anonymity because they were not authorized to talk to the media.

A U.S. official confirmed the death of Nazir, along with an unspecified number of “trusted deputies.”

Nazir and those killed were “directly involved in planning and executing cross-border attacks on coalition forces in Afghanistan, as well as providing protection for al-Qaida fighters in South Waziristan,” said the official, who spoke on condition of anonymity because he was not authorized to describe casualties resulting from CIA counterterrorism actions.

Earlier, Pentagon spokesman George Little described Nazir as “someone who has a great deal of blood on his hands.”

At least four people were killed in a separate drone strike Thursday in the North Waziristan tribal region.

America’s use of drones against militants in Pakistan has increased substantially under President Barack Obama, and the program killed a number of top militants in the past year.

But the drone strikes infuriate many Pakistanis who see them as a violation of their country’s sovereignty. Many Pakistanis complain that innocent civilians have also been killed, something the U.S. rejects.

Pakistani official said while his government continues to object to the drone strikes, it does not object to removing Nazir from the battle-



field, because despite his reported cooperation with the Pakistani government, he was suspected to have aided groups who attack Pakistani troops. The official spoke on condition of anonymity because he was not authorized to speak publicly.

The official said a U.S.-Pakistani working group seeking to craft a drone policy acceptable to Pakistan has made little progress, but that intelligence cooperation with the U.S. military and CIA had been improving, warming further after December’s high-level bilateral meeting of defense and intelligence officials in Peshawar cleared the way to release a long-delayed payment of \$688 million in U.S. funds to the Pakistan military. The money is part of a regular program to reimburse some of Pakistan’s financial outlays in fighting militants and patrolling the Afghan border.

The official said the U.S. had also shared some intelligence leading to successful operations against Pakistani terrorist targets, but the surveillance and raids against such targets are now done only by Pakistani security and intelligence operatives. The official said there has been no return to the joint Pakistani-CIA raids that took place before last year’s deadly border incident in which the U.S. fired on Pakistani troops, a controversial shooting of two Pakistanis by a CIA contractor, and the Navy SEAL raid that killed Osama bin Laden in Abbottabad.

2012 Auto Sales Were Best In 5 Years

BY TOM KRISHER
AND DEE-ANN DURBIN

AP Auto Writers

DETROIT — A steadily improving economy and strong December sales lifted the American auto industry to its best performance in five years in 2012, especially for Volkswagen and Japanese-brand vehicles, and experts say the next year should be even better.

Carmakers on Thursday announced their final figures, which totaled 14.5 million — 13 percent better than 2011.

More than three years after the federal government’s \$62 billion auto-industry bailout, Americans had plenty of incentive to buy new cars and trucks in the year just ended.

Unemployment eased. Home sales and prices rose. And the average age of a car topped 11 years in the U.S., a record that spurred people to trade in old vehicles. Banks made that easier by offering low interest rates and greater access to loans, even for buyers with lousy credit.

“The U.S. light vehicle sales market continues to be a bright spot in the tremulous global environment,” said Jeff Schuster, senior vice president of forecasting for LMC Automotive, a Detroit-area industry forecasting firm.

Sales were far better than the bleak days after the U.S. economy tanked and GM and Chrysler sought bankruptcy protection. Back then, sales fell to a 30-year low of 10.4 million, and they are still far short of the recent peak of around 17 million set in 2005.

The best part of 2012 came at the end, when special deals on pickup trucks and the usual round of sparkling holiday ads helped December sales jump 9 percent to more than 1.3 million, according to Autodata Corp. That translates to an annual rate of 15.4 million, making December the strongest month of the year.

Volkswagen led all major automakers with sales up a staggering 35 percent, led by the redesigned Passat midsize sedan.

VW sold more than five times as many Passats last year as it did in 2011.

Jesse Toprak, vice president of industry trends for TrueCar, said VW has the right mix of value and attractive vehicles and called the company “the force to watch in the next several years in the U.S. market.”

Toyota, which has recovered from the earthquake and tsunami in Japan that crimped its factories two years ago, saw sales jump 27 percent for 2012. December sales were up 9 percent. Unlike 2011, the company had plenty of new cars on dealer lots for most of last year.

Honda sales rose 24 percent for the year. Nissan and Infiniti sales were up nearly 10 percent as the Nissan brand topped 1 million in annual sales for the first time. Hyundai sales rose 9 percent for the year to just over 703,000, the Korean automaker’s best year in the U.S.

Chrysler, the smallest of the Detroit carmakers, had the best year among U.S. companies. Its sales jumped 21 percent for the year and 10 percent in December. Demand was led by the Jeep Grand Cherokee SUV, Ram pickup and Chrysler 300 luxury sedan.

But full-year sales at Ford and General Motors lagged. Ford edged up 5 percent and GM rose only 3.7 percent for the year. For December, Ford was up 2 percent and GM up 5 percent.

GM executives said the company has the oldest model lineup in the industry, yet it still posted a sales increase and commanded high prices for cars and trucks. The company plans to refurbish 70 percent of its North American models in the next 18 months and expects to boost sales this year.

North American President Mark Reuss said the company won’t give away cars and trucks with discounts like it has in the past, especially in the midst of its biggest product update ever.

“Give us 18 months and you’re going to see the whole portfolio turned,” Reuss said.



Leischner-Flannery

Lindsay Leischner and Rob Flannery were married on September 8, 2012 at the Lewis & Clark Resort in Yankton, SD.

Parents of the couple are Tim and Pat Leischner of Parkston, SD and Kirt and Michelle Flannery of Yankton, SD.

The couple’s attendants were Nicole Anderson, Jessica Leischner, Denise Leischner, Wendy Jensen, Patrick McVay, Matt Leischner, Max Leischner,

and Nick Jensen.

Flower girls were Isabel Leischner and Madison Jensen.

Ring bearers were Reid Leischner, Elliott Leischner, and Cooper Jensen.

The bride serves as an administrator of Avera Flandreau Hospital and Avera Dells Area Hospital.

The groom serves as a recreation therapist at the Avera Behavioral Health Center.



Liebel-Logue

Stephanie Ann Liebel and Brett Michael Logue announce their engagement and upcoming marriage.

Parents of the couple are Terry and Cheryl Liebel of Aberdeen, SD, and Robert and Christine Logue of Volin, SD.

The bride-elect is a 2003 graduate of Aberdeen Central High School. In 2008, she graduated from South Dakota State University with a BA in News-Editorial Journalism and is currently employed as Marketing Coordinator at HDR Engineering in Sioux Falls, SD.

The groom-elect is a 2004 graduate of Wakonda High School and attended South Dakota State University in 2010 and Southeast Technical Institute in 2011. He is currently employed as a nurse at Sanford Health - Hospice.

The couple is planning an August 31, 2013 wedding.