

YOUR MONEY

Wrapping up Yule shopping on the Web

CALL IT A banner Christmas — online.

Nearly half (49.9%) of holiday shoppers said they plan to make last-minute purchases online, the highest percentage in the 11-year history of the National Retail Federation's holiday surveys.

As of Dec. 9, 32 million consumers had not even started their holiday shopping.

"It comes as no surprise that Americans are eager to shop online in the coming weeks as busy schedules and a shift in the calendar have made the convenience offered by retailers' mobile apps and websites even more attractive this year," federation President Matthew Shay said.

Online shopping will be an activity on Christmas Day, too: 9.2% will shop online that day, up from 4.9% when the retail federation first asked the question in 2009. On top of that, 28% said they will browse the Web on the holiday.

More than 45% of consumers will do late shopping at their favorite department store, and 37.4% will head to discount stores, the survey found.

Others will shop at electronics stores (24.1%), clothing and accessory stores (23.6%), grocery stores (15%) and outlet stores (13.7%).

Of those who aren't done with their shopping yet, 29% plan to wrap up this Wednesday, 14.2% on Friday and 12.3% on Saturday.

Ten percent will wait until Christmas Eve.

Phyllis Furman

To your 'Helphth,' says H&R Block

THESE ARE taxing times for those who have to sign up for Obamacare, and tax pro H&R Block is offering a helping hand.

Actually, it's a "Helphth"-ing hand.

With the Dec. 23 enrollment deadline approaching, the tax prep giant has launched Helphth.com — a combination of "help" and "health" — a website designed to guide consumers through the health law and its implications.

The site includes answers to frequently asked questions, a step-by-step guide to the enrollment process, personalized tax calculators and live assistance from enrollment experts.

In what way does H&R Block see itself as an authority on the Affordable Care Act?

"The newly enacted Affordable Care Act states that almost everyone must have health insurance or face potential tax penalties," Helphth.com says. "That means health care has become a tax issue."

Phyllis Furman

Mortgage break, but also tax hike

BY PHYLLIS FURMAN
NEW YORK DAILY NEWS

New homeowner ground rules

**WHAT:
The Mortgage
Forgiveness
Debt Relief Act**
is expiring at the
end of the year.

**WHAT IT
MEANS:**
Starting in 2014,
if a portion of
your mortgage
principal is
forgiven, **that
amount could be
taxed as income.**

**WHO
MIGHT BE
AFFECTED:**
**97,262 New York-
area homeowners**
who owe more on
their homes than
their homes are
worth.



Carlene and
Jason Boje
with young
Naomi at their
Staten Island
home.

LOANS & GROANS

Staten Island homeowners Carlene Boje, 32, and Jason Boje, 37, should be rejoicing: With the help of a city mortgage assistance program, the parents of four are in the process of hammering out a deal with their bank that will save their home from foreclosure.

Unfortunately, they are facing a big, fat tax bill, too.

Like tens of thousands of New York area homeowners, the Bojes are days away from losing out on a tax break set to expire at the end of the year.

Unless Congress acts soon, the Mortgage Forgiveness Debt Relief Act, passed in 2007, will be history. That means the Bojes might have to pay income tax on the portion of their home loan that has been forgiven.

The resurrection of this tax could hurt as many as 97,262 New York-area homeowners, the number of homes in the region that are under water, according to CoreLogic.

"It's like taking two steps forward, only to be taking three steps backward," Jason Boje, a business solutions adviser, said. "It would definitely affect our family negatively."

The Bojes will likely see \$47,000 in debt from their second mortgage forgiven by their lender. The additional income is expected to push them into a higher tax bracket, Jason Boje said.

He did not reveal his current tax bracket. But assuming the family's combined federal, New York State and New York City tax rate is 20%, they are looking at having to pay a whopping \$9,400 in tax on the additional \$47,000 income, said Barry Picker, a certified public accountant with Picker & Auerbach in Brooklyn.

The return of this tax comes as programs to help New Yorkers gain mortgage relief are gathering steam.

JPMorgan Chase recently settled with the Justice Department for \$13 billion, \$2 billion of which was earmarked for principal reduction for homeowners at risk of foreclosure.

The department is planning to pursue additional settlements against other large banks, and those settlements will also likely require principal reduction, says the Center for New York City Neighborhoods, which coordinates efforts to help New Yorkers avoid foreclosure.

Distressed local homeowners could soon get another leg up: Gov. Cuomo recently proposed regulations that would give incentives to lenders to reduce mortgage principal, by allowing them to share in the profits from rising home values over time, the center said.

But these programs could become far less appealing for at-risk homeowners who will now be facing big tax bills.

"Countless homeowners who in 2014 may be able to benefit from new principal reduction programs will have to pay income tax on reduced principal while already living on a constrained budget," Christie Peale, executive director of the neighborhoods center, told the Daily News.

The Bojes, who owe about \$82,000 on their second mortgage, plan to move forward regardless of the tax. The loan has balloon payments coming due shortly that they cannot afford.

They will use \$35,000 in low-cost loans from the center's mortgage assistance program and the New Economy Project's gap loan to pay off a portion of the mortgage, and are waiting for the bank to forgive the rest.

"All of these great people are helping us," Jason Boje said.

"Now we have to pay all of this money. It puts us in a tough place."

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