

Stone City opens store in Elizabethtown



Stone City, a granite and stone contractor, hosted a ribbon-cutting and grand opening celebration June 26 at its 307 College Street Road location in Elizabethtown as the business was welcomed by the Hardin County Chamber of Commerce. The Holley Family, owners, cut the ribbon and were joined by Hardin County Chamber of Commerce ambassadors, family and friends as they marked the grand opening.

Auto loan tax break brings savings, but effect on sales unclear

BY DAVID A. LIEB
ASSOCIATED PRESS

Millions of people receive a federal tax deduction for the interest they pay on home loans. Under President Donald Trump's new tax-cut law, many people for the first time also could claim a tax deduction for interest on their vehicle loans.

The new tax break will be available even to people who don't itemize deductions. But there are some caveats that could limit its reach. The vehicles must be new, not used. They must be assembled in the U.S. And the loans must be issued no sooner than this year, to list just a few qualifications.

Here are some things to know about the new auto loan interest tax deduction:

CANDIDATE TRUMP PROMISED AN AUTO LOAN INTEREST TAX BREAK

Trump pledged while campaigning last year to make interest on car loans tax-deductible. He said it would make car ownership more affordable and "stimulate massive domestic auto production."

The idea made it into the big tax-cut bill passed by Congress, which Trump signed into law July 4.

The law allows taxpayers to deduct up to

\$10,000 of interest payments annually on loans for new American-made vehicles from 2025 through 2028. It applies to cars, motorcycles, sport utility vehicles, minivans, vans and pickup trucks weighing less than 14,000 pounds, a threshold referred to as light vehicles. But it only applies to vehicles purchased for personal use, not for fleets or commercial purposes.

The tax break can be claimed starting on 2025 income tax returns. But the deduction phases out for individuals with incomes between \$100,000 and \$150,000 or joint taxpayers with incomes between \$200,000 and \$250,000. Those earning more cannot claim the tax break.

MILLIONS OF BUYERS COULD BENEFIT, BUT MILLIONS OF OTHERS WILL NOT

U.S. automobile dealers sold 15.9 million new light vehicles last year, a little over half of which were assembled in the U.S., according to Cox Automotive. It says around 60% of retail sales are financed with loans.

After excluding fleet and commercial vehicles and customers above the income cutoff, an estimated 3.5 million new vehicle loans could be eligible for the tax break this year, if purchasing patterns stay the same, said Jonathan

Smoke, chief economist at Cox Automotive.

IT'S THE ASSEMBLY PLANT, NOT THE AUTOMAKER'S HEADQUARTERS THAT MATTERS

The tax break applies to vehicles assembled in the U.S., no matter where the company making them is headquartered. All Tesla vehicles sold in the U.S. are assembled in this country. But so are all Acura brands, the luxury model of Japanese automaker Honda.

Last year, 78% of Ford vehicles sold in the U.S. were assembled in this country, according to Cox Automotive. But customers wanting the tax break will need to pay attention to specific models. While the Ford Mustang is assembled in Michigan, the Mustang Mach-E is built in Mexico.

General Motors assembles all of its Cadillacs in the U.S. But just 44% of its Chevrolets sold last year were assembled in the U.S., and just 14% of Buicks, according to Cox Automotive. That's a lower U.S.-assembled rate than Honda (60%), Toyota (52%) and Nissan (48%), which all are headquartered in Japan.

TAXPAYERS COULD SAVE HUNDREDS OF DOLLARS A YEAR

The average new vehicle loan is about \$44,000

financed over six years. Interest rates vary by customer, so the savings will, too. In general, the tax deduction will decline after the initial year, because interest payments on loans are frontloaded while principal payments grow on the back end.

At a 9.3% interest rate, an average new vehicle buyer could save about \$2,200 on taxes over four years, Smoke said. The tax savings would be less on a loan at 6.5%, which is the rate figured into calculations by the American Financial Services Association, a consumer credit industry trade group.

SOME PEOPLE ALSO COULD SEE A REDUCTION IN STATE INCOME TAXES

Whereas the tax deduction for home loan interest can be claimed only by people itemizing on their tax returns, Congress wrote the deduction for auto loan interest so that it can apply to all taxpayers, including those claiming the standard deduction.

On a tax form, the auto loan deduction will come before the calculation of a taxpayer's adjusted gross income. That's an important distinction, because many states use a taxpayer's federal adjusted gross income as the starting point for figuring their state income taxes. If that income figure is lower, it could reduce the state taxes owed.

MARKET WATCH: MONDAY

Wall Street holds near its record amid doubts about Trump's tariffs

NEW YORK — U.S. stock indexes hung near their records on Monday following President Donald Trump's latest updates to his tariffs, as speculation continues on Wall Street that he may ultimately back down on them.

The S&P 500 edged up by 0.1% to pull within 0.2% of its all-time high set on Thursday. The Dow Jones Industrial Average added 88 points, or 0.2%, and the Nasdaq composite climbed 0.3% to set a record.

Stock indexes elsewhere around the world were mixed in their first trading after Trump announced plans over the weekend for 30% tariffs on goods from Mexico and the European Union. They won't take effect until Aug. 1, the same deadline that Trump announced last week for updated tax rates on imports from Japan, South Korea and a dozen other countries.

The latest postponements for Trump's tariffs allow more time for him to reach trade deals with other countries that could lower the tariff rates and prevent pain for international trade. They also feed into speculation that Trump may ultimately back down on his tariffs if they end up creating too much damage for the economy and for financial markets.

If Trump were to enact all his proposed tariffs on Aug. 1, they would raise the risk of a recession. That would not only hurt U.S. voters but also raise

the pressure on the U.S. government's debt level relative to the economy's size, particularly after Washington approved big tax cuts that will add to the deficit.

"We therefore believe that the administration is using this latest round of tariff escalation to maximize its negotiating leverage and that it will ultimately de-escalate, especially if there is a new bout of heightened bond and stock market volatility," according to Ulrike Hoffmann-Burchardi, global head of equities at UBS Global Wealth Management.

"As usual, there are many conditions and clauses that can get these rates reduced," said Brian Jacobsen, chief economist at Annex Wealth Management. "That's probably why the market might not like the tariff talk, but it's not panicking about it either."

For the time being, all the uncertainty around tariffs could help keep markets unsteady. This upcoming week has several potential flashpoints that could shake things.

On Tuesday will come the latest reading on inflation across the United States. Economists expect it to show inflation accelerated to 2.6% last month from 2.4% in May.

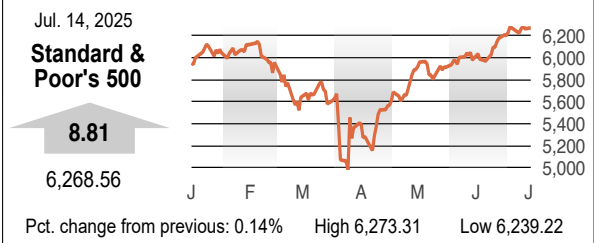
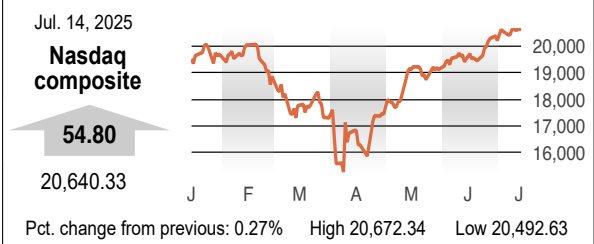
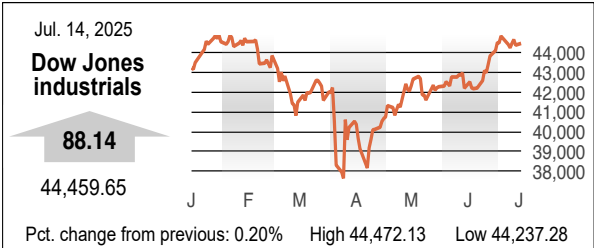
Companies are also lining up to report how they performed during the spring. JPMorgan Chase and several other huge banks will report their latest quarterly results on Tuesday, followed by Johnson & Johnson on Wednesday and PepsiCo on Thursday.

LOCAL STOCKS

Prices of local stocks at the close of trading Monday:

| | | | | |
|-----------------------------|----------|---------|------|---------------|
| Cardinal Health (CAH) | \$161.69 | \$0.72 | 1.4M | 93.17-168.44 |
| Churchill Downs (CHDN) | \$106.89 | \$1.09 | 460K | 85.58-150.21 |
| DuPont de Nemours (DD) | \$74.86 | -\$0.63 | 3.1M | 53.77-90.06 |
| Ford Motor Co. (F) | \$11.88 | \$0.10 | 62M | 8.44-14.62 |
| General Electric (GE) | \$262.34 | \$6.92 | 7.5M | 150.20-260.55 |
| Humana Inc. (HUM) | \$227.46 | -\$3.21 | 1.2M | 212.45-406.46 |
| PNC Fin. Svcs. (PNC) | \$197.39 | \$0.37 | 2.1M | 145.12-216.26 |
| Papa John's (PZZA) | \$46.90 | -\$0.12 | 610K | 30.16-60.75 |
| United Parcel Service (UPS) | \$100.12 | -\$1.15 | 4M | 90.55-148.15 |
| Verizon Comms (VZ) | \$41.58 | -\$0.04 | 16M | 37.59-47.35 |
| Walmart Stores (WMT) | \$95.78 | \$1.38 | 14M | 66.67-105.30 |
| WesBanco Inc. (WSBC) | \$33.41 | \$0.44 | 300K | 26.42-37.36 |
| Yum! Brands (YUM) | \$147.17 | -\$2.62 | 1.9M | 122.13-163.30 |

A DAY ON WALL STREET



Summer is a good time to update your agriculture water quality plan

The Agriculture Water Quality Act was passed by the Kentucky Legislature in 1994, mandating that landowners with 10 or more acres in agricultural production must develop a water quality plan. Ten or more acres of crops, livestock or trees that will be harvested qualify for a plan and implementation by law.

This plan documents the best management practices you're using to protect water resources. These practices could include planned grazing systems, rotational grazing for livestock, filter or buffer strips around crop fields, animal waste manure storage structures and nutrient

management plans. It also should include plans to limit livestock access to streams.

Additionally, the document should include information on the proper handling of herbicides and pesticides, as well as the maintenance of septic systems.

To implement a water quality plan, first look at the activities in your operation. You can use a web-based planning tool (soilandwater.ca.uky.edu/awq) to answer questions about the operation. By answering these questions, you can identify the appropriate best management practices needed. Then, you document that these practices are being used and properly maintained. In many cases, proper

practices are already in place and creating an agriculture water quality plan provides a document stating you are following proper procedures to protect the water quality on your farm.

However, keep in mind that an agriculture water quality plan is not a voluntary document; it is a mandatory document required by the Kentucky Agriculture Water Quality Act.

Periodically review and update your plans to reflect changes in farming and forestry practices or land ownership. Additionally, a water quality plan is required by the local Soil and Water Conservation District if you plan to apply for state cost-share programs.

By implementing an agriculture water quality plan, you help protect both surface

and groundwater from agricultural contaminants. Keeping the state's water resources clean protects human and animal health and reduces the cost of treating drinking water.

For more information on the Kentucky Agriculture Water Quality Act, contact the Hardin County Cooperative Extension Service at 270-765-4121 or ashley.norton@uky.edu.

Source: Amanda Gumbert, UK water quality extension specialist

Related resources: Kentucky Agriculture Water Quality Act and Planning at soilandwater.ca.uky.edu/awq.

Ashley Norton, Hardin County agriculture extension agent, is available by calling 270-765-4121 or ashley.norton@uky.edu.



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