



**Income Taxes**

**2009**

If taxable income is:

Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>			
\$0	\$16,700	\$ 0 + 10%	\$0
16,700	67,900	1,670 + 15%	16,700
67,900	137,050	9,350 + 25%	67,900
137,050	208,850	26,637.50 + 28%	137,050
208,850	372,950	46,741.50 + 33%	208,850
372,950	And Over	100,894.50 + 35%	372,950
<b>Single:</b>			
\$0	\$8,350	\$ 0 + 10%	\$0
8,350	33,950	835 + 15%	8,350
33,950	82,250	4,675 + 25%	33,950
82,250	171,550	16,750 + 28%	82,250
171,550	372,950	41,754 + 33%	171,550
372,950	And Over	108,216 + 35%	372,950

**Standard Deductions 2009 2010**

<b>Married Filing Jointly</b>	\$11,400	\$11,400
<b>Head of Household</b>	8,350	8,400
<b>Single</b>	5,700	5,700
<b>Additional (Age 65/older or blind):</b>		
Married	1,100	1,100
Unmarried & not surviving spouse	1,400	1,400
<b>AGI itemized deduction phase-out:</b>		
Married Filing Separately	83,400	No phase-out
All Others	166,800	No phase-out

**Personal Exemptions 2009 2010**

<b>Personal exemption</b>	\$3,650	\$3,650
<b>Phase-out range:</b>		
Single	\$166,800-289,300	No phase-out
Head of Household	\$208,500-331,000	No phase-out
Married Filing Jointly	\$250,200-372,700	No phase-out
Married Filing Separately	\$125,100-247,600	No phase-out

**Kiddie Tax 2009 2010**

<b>(under age 18 with unearned income)</b>		
<b>First (No Tax)</b>	\$950	\$950
<b>Next (Child's Rate)</b>	950	950
<b>Amounts Over (Parents' Rate)</b>	1,900	1,900

**Election to Expense Certain 2009 2010**

<b>Depreciable Assets</b>	\$250,000	\$134,000
---------------------------	-----------	-----------

**Mileage Rates (per mile)**

Business	\$0.55
Charity	\$0.14
Medical	\$0.24

**2010**

If taxable income is:

Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>			
\$0	\$16,750	\$ 0 + 10%	\$0
16,750	68,000	1,675 + 15%	16,750
68,000	137,300	9,362.50 + 25%	68,000
137,300	209,250	26,687.50 + 28%	137,300
209,250	373,650	46,833.50 + 33%	209,250
373,650	and over	101,085.50 + 35%	373,650
<b>Single:</b>			
\$0	\$8,375	\$ 0 + 10%	\$0
8,375	34,000	837.50 + 15%	8,375
34,000	82,400	4,681.25 + 25%	34,000
82,400	171,850	16,781.25 + 28%	82,400
171,850	373,650	41,827.25 + 33%	171,850
373,650	and over	108,421.25 + 35%	373,650

**Education Incentives 2009 2010**

<b>Lifetime Learning Credit</b>	\$2,000	\$2,000
<b>Phase-outs for HOPE &amp; Lifetime Learning Credits:</b>		
Married Filing Jointly	\$100,000-120,000	\$100,000-120,000
Others	\$50,000-60,000	\$50,000-60,000
<b>Phase-outs for exclusion of U.S. savings bond income:</b>		
Married Filing Jointly	\$104,900-134,900	\$105,100-135,100
Others	\$69,950-84,950	\$70,100-85,100
<b>Phase-outs for Coverdell Education Savings Accounts:</b>		
<i>Maximum contributions of \$2,000 phase-out range</i>		
Married Filing Jointly	\$190,000-220,000	\$190,000-220,000
Single	\$95,000-110,000	\$95,000-110,000

**Capital Gains Tax 2010**

<b>Rates on dividends and gains for assets held at least 12 months:</b>		
15% income tax bracket or below		0%
25% income tax bracket or above		15%

**Corporations (for all tax years since 1993)**

If taxable income is:

Over	But Not Over	The Tax Is	Of the Amount Over
\$0	\$50,000	\$ 0 + 15%	\$0
50,000	75,000	7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	10,000,000	113,900 + 34%	335,000
10,000,000	15,000,000	3,400,000 + 35%	10,000,000
15,000,000	18,333,333	5,150,000 + 38%	15,000,000
18,333,333	And Over	6,416,667 + 35%	18,333,333

## 2010 Tax Facts At-A-Glance

### Estate & Gift Taxes

#### Scheduled Gift & Estate Tax Changes

Year	Gift Tax Top Rate	Top Estate Tax Rate	Estate Tax Exemption	Applicable Credit
2002	50%	50%	\$ 1 million	\$345,800
2003	49%	49%	1 million	345,800
2004	48%	48%	1.5 million	555,800
2005	47%	47%	1.5 million	555,800
2006	46%	46%	2 million	780,800
2007	45%	45%	2 million	780,800
2008	45%	45%	2 million	780,800
2009	45%	45%	3.5 million	1,455,800
2010	35%	Repealed	N/A	N/A
2011	35%	55%	1 million	345,800

**Annual Gift Tax Exclusion:** Individual donor may gift \$13,000 per donee

**Individual donor may gift to non-U.S. citizen spouse:** \$134,000

**Gift Tax Exemption:** \$1,000,000

**Generation-Skipping Transfer Tax Exemptions:** Repealed in 2010

#### Qualified Plans

	2009	2010
<b>IRA maximum contribution limit</b>	\$ 5,000	\$5,000
IRA Age 50+ catch-up contribution	1,000	1,000
<b>SEP plan participant maximum percentage of compensation</b>	25%	25%
SEP plan participant maximum dollar allocation limit	49,000	49,000
SEP minimum compensation amount	550	550
<b>Simple IRA employee contribution</b>	11,500	11,500
SIMPLE IRA catch-up - Age 50 or older	2,500	2,500
Maximum elective deferral to SIMPLE plan	11,500	11,500
<b>403(b) TSA elective employee deferral</b>	16,500	16,500
403(b) TSA catch-up - Age 50 or older	5,500	5,500
403(b) TSA catch-up - 15 or more years of service with current employer	3,000	3,000
<b>Defined contribution maximum employer percentage deduction limit (of eligible payroll)</b>	25%	25%
Defined contribution plan annual addition limit	49,000	49,000
<b>Maximum elective deferral to retirement plans [e.g., 401(k), 403(b) &amp; 457]</b>	16,500	16,500
401(k) Age 50+ catch-up contribution	5,500	5,500
<b>Annual includable compensation limit</b>	245,000	245,000
<b>Highly compensated employee compensation limit</b>	110,000	110,000
<b>Annual retirement benefit limit under defined benefit plan (not to exceed 100% of compensation)</b>	195,000	195,000

#### IRAs

##### Phase-out range for deductible contributions to Traditional IRAs

Married Filing Jointly

    Both spouses as participants in Qualified Plan

    One spouse as participant in Qualified Plan

Single/Head of Household

\$ 89,000 - 109,000

\$ 89,000 - 109,000

166,000 - 176,000

167,000 - 177,000

55,000 - 65,000

56,000 - 66,000

##### Phase-out range for contributions to Roth IRAs

Married Filing Jointly

Single/Head of Household

\$166,000 - 176,000

\$166,000 - 176,000

105,000 - 120,000

105,000 - 120,000

This material is provided for informational purposes only and should not be construed as tax advice. Please call Downey & Company at (800) 849-6022 for assistance or more information. This information has been obtained from publicly available sources and is believed to be accurate as of November 2009.

#### Social Security

	2009	2010
<b>Full retirement age</b>	66 years	66 years
<b>Portion of benefit paid at age 62</b>	75%	75%
<b>Maximum earnings before Social Security benefits are reduced</b>		
Before full retirement age (lose \$1 for every \$2 of earnings)	\$14,160	\$14,160
Year of full retirement age	\$37,680	\$37,680
After full retirement	No limit	No limit
<b>Maximum compensation subject to FICA taxes</b>		
OASDI (Social Security) max	\$106,800	\$106,800
HI (Medicare) max	No limit	No limit
<b>OASDI rate</b>		
self-employed	12.4%	12.4%
employees	6.2%	6.2%
<b>HI tax rate</b>		
self-employed	2.9%	2.9%
employees	1.45%	1.45%

#### 2009 Required Minimum Distribution Is Waived

#### 2010 Required Minimum Distribution Table

Age	Factor	Age	Factor	Age	Factor
70	27.4	81	17.9	92	10.2
71	26.5	82	17.1	93	9.6
72	25.6	83	16.3	94	9.1
73	24.7	84	15.5	95	8.6
74	23.8	85	14.8	96	8.1
75	22.9	86	14.1	97	7.6
76	22.0	87	13.4	98	7.1
77	21.2	88	12.7	99	6.7
78	20.3	89	12.0	100	6.3
79	19.5	90	11.4	101	5.9
80	18.7	91	10.8		

