



a Wolters Kluwer business

2010 KEY FACTS AND FIGURES

Reflects the Hiring Incentives to Restore Employment (HIRE) Act, March 2010



INCOME TAXES

2009				2010			
If Taxable Income is:				If Taxable Income is:			
Over	But not more than	The Tax is	Of the Amount Over	Over	But not more than	The Tax is	Of the Amount Over
Married Filing Jointly:				Married Filing Jointly:			
\$0	\$16,700	\$0 + 10%	\$0	\$0	\$16,750	\$0 + 10%	\$0
16,700	67,900	1,670.00 + 15%	16,700	16,750	68,000	1,675.00 + 15%	16,750
67,900	137,050	9,350.00 + 25%	67,900	68,000	137,300	9,362.50 + 25%	68,000
137,050	208,850	26,637.50 + 28%	137,050	137,300	209,250	26,687.50 + 28%	137,300
208,850	372,950	46,741.50 + 33%	208,850	209,250	373,650	46,833.50 + 33%	209,250
372,950		100,894.50 + 35%	372,950	373,650		101,085.50 + 35%	373,650
Married Filing Separately:				Married Filing Separately:			
\$0	\$8,350	\$0 + 10%	\$0	\$0	\$8,375	\$0 + 10%	\$0
8,350	33,950	835.00 + 15%	8,350	8,375	34,000	837.50 + 15%	8,375
33,950	68,525	4,675.00 + 25%	33,950	34,000	68,650	4,681.25 + 25%	34,000
68,525	104,425	13,318.75 + 28%	68,525	68,650	104,625	13,343.75 + 28%	68,650
104,425	186,475	23,370.75 + 33%	104,425	104,625	186,825	23,416.75 + 33%	104,625
186,475		50,447.25 + 35%	186,475	186,825		50,542.75 + 35%	186,825
Head of Household:				Head of Household:			
\$0	\$11,950	\$0 + 10%	\$0	\$0	\$11,950	\$0 + 10%	\$0
11,950	45,500	1,195 + 15%	11,950	11,950	45,550	1,195.00 + 15%	11,950
45,500	117,450	6,227.50 + 25%	45,500	45,550	117,650	6,235.00 + 25%	45,550
117,450	190,200	24,215 + 28%	117,450	117,650	190,550	24,260.00 + 28%	117,650
190,200	372,950	44,585 + 33%	190,200	190,550	373,650	44,672.00 + 33%	190,550
372,950		104,892.50 + 35%	372,950	373,650		105,095.00 + 35%	373,650
Single:				Single:			
\$0	\$8,350	\$0 + 10%	\$0	\$0	\$8,375	\$0 + 10%	\$0
8,350	33,950	835 + 15%	8,350	8,375	34,000	837.50 + 15%	8,375
33,950	82,250	4,675 + 25%	33,950	34,000	82,400	4,681.25 + 25%	34,000
82,250	171,550	16,750 + 28%	82,250	82,400	171,850	16,781.25 + 28%	82,400
171,550	372,950	41,754 + 33%	171,550	171,850	373,650	41,827.25 + 33%	171,850
372,950		108,216 + 35%	372,950	373,650		108,421.25 + 35%	373,650
Estates and Trusts:				Estates and Trusts:			
\$0	\$2,300	\$0 + 15%	\$0	\$0	\$2,300	\$0 + 15%	\$0
2,300	5,350	345 + 25%	2,300	2,300	5,350	345.00 + 25%	2,300
5,350	8,200	1,107.50 + 28%	5,350	5,350	8,200	1,107.50 + 28%	5,350
8,200	11,150	1,905.50 + 33%	8,200	8,200	11,200	1,905.50 + 33%	8,200
11,150		2,879 + 35%	11,150	11,200		2,895.50 + 35%	11,200

QUALIFIED PLANS

	2009	2010
Maximum elective deferral to retirement plans (e.g. 401(k), 403(b))	\$16,500	\$16,500
Maximum elective deferral to SIMPLE IRA plans	\$11,500	\$11,500
Maximum elective deferral to 457 plans or exempt employers	\$16,500	\$16,500
Limit on annual additions to Keogh plans and SEP-IRAs	\$49,000	\$49,000
Limit on annual additions to defined contribution plans	\$49,000	\$49,000
Maximum annual compensation taken into account for contributions	\$245,000	\$245,000
Annual benefit limit under defined benefit plans	\$195,000	\$195,000
Threshold amount for definition of highly compensated employees	\$110,000	\$110,000
Threshold amount for definition of key employee in top-heavy plans	\$160,000	\$160,000
Catch-up Contribution Limits for Other Qualified Plan Types*		
401(k), 403(b), SAR-SEP and 457 plans	\$5,500	\$5,500
SIMPLE plans	\$2,500	\$2,500

* Individuals who will be at least age 50 by the end of the year can make catch-up contributions

OTHER TAX RATES

Capital Gains and Qual Dividends	Short Term	Long Term	Qual Div
Taxpayer in 10%, 15% bracket	ordinary rates	0%	0%
Other brackets	ordinary rates	15%	15%
Kiddie Tax			
<ul style="list-style-type: none"> Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$9,500 in 2010; use Form 8814 in parent's return If child files own return, use Form 8615 in child's return to calculate tax at parent's marginal rate 			
	2009	2010	
First	\$950	\$950	No Tax
Next	\$950	\$950	Taxed at child's marginal rate
Amounts Over	\$1,900	\$1,900	Taxed at parent's marginal rate
AMT Rates for Individuals			
	AMT taxable income	AMT Tax Rate	
All Others	\$0 - \$175,000	26%	
	\$175,001+	28%	
MFS	\$0 - \$87,500	26%	
	\$87,501+	28%	
2009 Exemption for Single Taxpayers: \$46,700 (\$33,750 in 2010*)			
2009 Exemption for Married Couples Filing Jointly: \$70,950 (\$45,000 in 2010*)			
*Caution: It is anticipated that Congress will pass legislation increasing the exemption amounts, but as of the time of publication, this information is current			

SOCIAL SECURITY

Maximum Compensation Subject to FICA	2009	2010
OASDI Maximum	\$106,800	\$106,800
HI Maximum	No Limit	No Limit
<ul style="list-style-type: none"> OASDI tax rate: 12.4% self-employed, 6.2% employees* HI tax rate: 2.9% self-employed, 1.45% employees 		
*Note: For the remainder of 2010, qualified employers are exempt from paying their 6.2% OASDI tax on wages paid to qualified newly hired workers		
Maximum Amount of Earnings to Still Receive Full Benefits		
	2009	2010
Under full retirement age	\$14,160	\$14,160
2010 Base Amount of Modified Adjusted Gross Income Causing Social Security Benefits to be Taxable		
	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

ESTATE & GIFT TAXES

	2009	2010 repealed
Annual Gift Tax Exclusion for Noncitizen Spouses	\$13,000	\$13,000
Gift Tax Exclusion	\$1,000,000	\$1,000,000
GST Tax Exemption	\$3,500,000	repealed
Estate	Exclusion Amount	Applicable Credit
2009	\$3,500,000	\$1,455,800
2010	Estate tax repealed; gift tax remains*	
2011	\$1,000,000	\$345,800

*Caution: It is anticipated that Congress will pass legislation re-instituting the estate tax, but as of the time of publication, this information is current

DEDUCTIONS AND EXEMPTIONS

Standard Deductions

	Annual	Add'l Age 65 or Older or Blind	
		2009	2010
Married Filing Jointly/ Surviving Spouse	2009	\$11,400	\$1,100
	2010	\$11,400	\$1,100
Married Filing Separately	2009	\$5,700	\$1,100
	2010	\$5,700	\$1,100
Head of Household	2009	\$8,350	\$1,400
	2010	\$8,400	\$1,400
Single	2009	\$5,700	\$1,400
	2010	\$5,700	\$1,400

Phaseout of Itemized Deductions

- In 2009, itemized deductions are reduced by 1% of the excess of AGI over threshold amount
 - MFJ \$166,800 in 2009
 - MFS \$83,400 in 2009
- Reduction limited to 80% of affected deductions; investment interest, medical expenses, and casualty, theft and wagering losses not affected. In 2010, the phaseout of itemized deductions is repealed.

Deduction of state and local taxes

- Through 2009 taxpayers can choose between
- claiming an itemized deduction for state and local income taxes, and;
 - claiming an itemized deduction for state and local general sales taxes, in an amount determined based on receipts showing actual sales taxes paid or on tables provided by the IRS

Personal Exemptions

	Exemption	AGI Threshold/ Upper Limit	
		2009	2010
Married Filing Jointly/ Surviving Spouse	2009	\$3,650	\$250,200 / \$372,700
	2010	\$3,650	phaseout repealed
Married Filing Separately	2009	\$3,650	\$125,100 / \$186,350
	2010	\$3,650	phaseout repealed
Head of Household	2009	\$3,650	\$208,500 / \$331,000
	2010	\$3,650	phaseout repealed
Single	2009	\$3,650	\$166,800 / \$289,300
	2010	\$3,650	phaseout repealed

Personal exemptions are phased out by 2% for each \$2,500 (\$1,250 for MFS) by which AGI exceeds the threshold. Personal exemption phaseout is reduced by 2/3 of phaseout in 2009. In 2010, the exemption phaseout is repealed.

Code Sec. 179 Expense Allowance 2009 & 2010

Dollar limitation: \$250,000
Investment limitation: \$80,000

CREDITS

Child Tax Credit 2006 – 2010

\$1,000 per child; phases out \$50 for each \$1,000 AGI Over \$110,000 (married filing jointly) or \$75,000 (single)
Credit is for children under 17 years of age at the end of the year and who qualify to be claimed as dependents.

Employee Retention Credit Remainder of 2010

Up to \$1,000 to qualified employers for retaining a newly hired worker for at least one year

MILEAGE RATES

Purpose	2009	2010
Business	55¢ per mile	50¢ per mile
Medical	24¢ per mile	16.5¢ per mile
Charitable	14¢ per mile	14¢ per mile
Moving	24¢ per mile	16.5¢ per mile

INDIVIDUAL ESTIMATED TAXES

- Individuals can base federal estimated tax payments on:
- 90% of current tax
 - 100% of prior year's tax or 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
 - Annualization exception
 - No penalty if tax < \$1,000 or no tax liability in preceding taxable year

IRAs

CONTRIBUTION LIMITS - TRADITIONAL AND ROTH

	2009	2010
Regular	\$5,000	\$5,000
Catch-up*	\$1,000	\$1,000

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions

ROTH IRAs

AGI Phaseout Range for Contributions to Roth IRAs

	2009	2010
Married Filing Jointly	\$166,000 - \$176,000	\$167,000 - \$177,000
Single	\$105,000 - \$120,000	\$105,000 - \$120,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000

TRADITIONAL IRA DEDUCTIBILITY RULES

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2009	2010	
Single	No	Any amount	Any amount	Full Deduction
	Yes	\$54,999 or less \$55,000-\$64,999 \$65,000 or more	\$55,999 or less \$56,000-\$65,999 \$66,000 or more	Full Deduction Partial Deduction No Deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full Deduction
	Both spouses covered	\$88,999 or less \$89,000-\$108,999 \$109,000 or more	\$88,999 or less \$89,000-\$108,999 \$109,000 or more	Full Deduction Partial Deduction No Deduction
	One spouse covered-for covered spouse	\$88,999 or less \$89,000-\$108,999 \$109,000 or more	\$88,999 or less \$89,000-\$108,999 \$109,000 or more	Full Deduction Partial Deduction No Deduction
	One spouse covered-for non-covered spouse	\$165,999 or less \$166,000-\$175,999 \$176,000 or more	\$166,999 or less \$167,000-\$176,999 \$177,000 or more	Full Deduction Partial Deduction No Deduction
Married Filing Separately, lived together for any part of the year (if spouses lived separately throughout year, treated as single)	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered-for covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered-for non-covered spouse	\$165,999 or less \$166,000 - \$175,999 \$176,000 or more	\$166,999 or less \$167,000 - \$176,999 \$177,000 or more	Full deduction Partial deduction No deduction

EDUCATION INCENTIVES

"Above-the-line" deduction up to \$4,000 for 2009 for qualifying tuition and related expenses at accredited post-secondary institution by taxpayer or spouse or dependent; subject to income limitations; cannot be used in conjunction with either Hope or Lifetime Learning Credits*

***Caution:** Scheduled to expire after 2009. At time of publication, legislation is pending that would extend the deduction through 2010

Student Loan Interest Deduction up to \$2,500 (2009 and 2010); no time limit on deductibility period; subject to income limitations

Hope Credit up to \$2,500 in 2009 and 2010 per student, for first four years of higher education paid.
Lifetime Learning Credit 20% of tuition paid up to \$2,000 per taxpayer
Both credits subject to income limitations; cannot be used in conjunction with each other or with "above the line" deduction for qualifying tuition and related expenses.

Section 529 Plans – Qualified Tuition Programs

Distributions after 12/31/01 used for qualified higher education expenses are income tax-free
Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$13,000 for 2009 and 2010). Donor can elect to treat up to \$65,000 of the contribution as if it had been made ratably over a 5-year period.

Coverdell Education Savings Accounts (Education IRAs):
Contribution Limit: \$2,000; subject to income limitations



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