

# 2010 tax rates, schedules, and contribution limits

## INCOME TAX

	If taxable income is over but not over		The tax is	Of the amount over
<b>Married/filing jointly and qualifying widow(er)s</b>	\$ 0	\$ 16,750	\$ 0.00 + 10%	\$ 0
	16,750	68,000	1,675.00 + 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	—	101,085.50 + 35%	373,650
<b>Single</b>	\$ 0	\$ 8,375	\$ 0.00 + 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%	171,550
	373,650	—	108,421.25 + 35%	373,650
<b>Estates and trusts</b>	\$ 0	\$ 2,300	\$ 0.00 + 15%	\$ 0
	2,300	5,350	345.00 + 25%	2,300
	5,350	8,200	1,107.50 + 28%	5,350
	8,200	11,150	1,905.50 + 33%	8,200
	11,200	—	2,895.50 + 35%	11,150

## CORPORATE TAX

	If taxable income is over but not over		The tax is	Of the amount over
\$ 0	\$ 50,000	\$ 0.00 + 15%	\$ 0	
50,000	75,000	7,500.00 + 25%	50,000	
75,000	100,000	13,750.00 + 34%	75,000	
100,000	335,000	22,250.00 + 39%	100,000	
335,000	10,000,000	113,900.00 + 34%	335,000	
10,000,000	15,000,000	3,400,000.00 + 35%	10,000,000	
15,000,000	18,333,333	5,150,000.00 + 38%	15,000,000	
18,333,333	—	35%	0	

## EMPLOYER RETIREMENT PLANS

Maximum elective deferral to retirement plans, e.g., 401(k), 403(b).....	\$ 16,500
Catch-up contribution limit for 401(k), 403(b), and 457 plans.....	5,500
Maximum elective deferral to SIMPLE IRA plans.....	11,500
Catch-up contribution limit for SIMPLE plans.....	2,500
Maximum elective deferral to 457 plans of gov't and tax-exempt employers..	16,500
Limit on annual additions to defined contribution plans.....	49,000
Annual compensation threshold requiring SEP contribution.....	550
Limit on annual additions to SEP plans.....	49,000
Maximum annual compensation taken into account for contributions.....	245,000
Annual benefit limit under defined benefit plans.....	195,000
Limitation used in definition of highly compensated employee.....	110,000

Sources: IRS and Social Security Administration update, 2009.

## CAPITAL GAINS TAX

Tax bracket	Short-term ≤12 months	Long-term >12 months
10%, 15% brackets	Ordinary rate	0%
Other	Ordinary rate	15%

## TAX ON QUALIFIED DIVIDENDS

Tax bracket	Tax
10%, 15% brackets	0%
Other	15%

## KIDDIE TAX (under age 19\* with unearned income)

First	\$ 950	No tax
Next	950	10% tax
Unearned income over	1,900	Parents' rate

\* Under age 24 if a full-time student whose earned income does not exceed half of his or her own support for the year.

## CHILD TAX CREDIT

\$1,000 per child; phases out \$50 for each \$1,000 of modified AGI over \$110,000 (married/filing jointly) or \$75,000 (single)

## STANDARD DEDUCTIONS

	Annual	Additional age 65+ or blind
Married/Filing jointly and qualifying widow(er)s	\$11,400	\$1,100
Single	\$5,700	\$1,400

## PERSONAL EXEMPTIONS

	Exemption
Married/Filing jointly and qualifying widow(er)s	\$3,650 each
Single	\$3,650

## MAXIMUM QUALIFIED LONG-TERM-CARE INSURANCE PREMIUMS ELIGIBLE FOR DEDUCTION

Age	40 or less	>40, ≤50	>50, ≤60	>60, ≤70	Over 70
2010	\$330	\$620	\$1,230	\$3,290	\$4,110

Qual. LTC contract per diem limit: \$290.

## TRADITIONAL IRAs

Maximum annual contribution (must be under age 70½)

Lesser of earned income or \$5,000  
Up to \$5,000 contribution can also be made for nonworking spouse  
Catch-up contributions (Taxpayers age 50 and over): \$1,000

## TRADITIONAL IRA DEDUCTIBILITY RULE

Filing status	Covered by employer's retirement plan	Modified AGI 2009	Modified AGI 2010	Deductibility
<b>Single</b>	No	Any amount	Any amount	Full
	Yes	\$55,000	\$56,000	Full
	Yes	\$55,001-\$65,000	\$56,001-\$66,000	Partial
	Yes	\$65,001 or more	\$66,001 or more	None
<b>Married/ Jointly</b>	Neither spouse covered	Any amount	Any amount	Full
<b>Married/ Jointly</b>	Both spouses covered	\$89,000 or less	\$89,000 or less	Full
		\$89,001-\$109,000	\$89,001-\$109,000	Partial
		\$109,001 or more	\$109,001 or more	None
<b>Married/ Jointly</b>	Yes, but spouse is not covered	\$89,000 or less	\$89,000 or less	Full
		\$89,001-\$109,000	\$89,001-\$109,000	Partial
<b>Married/ Jointly</b>	No, but spouse is covered	\$109,001 or more	\$109,001 or more	None
		\$166,000 or less	\$167,000 or less	Full
<b>Married/ Jointly</b>	No, but spouse is covered	\$166,001-\$176,000	\$167,001-\$177,000	Partial
		\$176,001 or more	\$177,001 or more	None

## ROTH IRAs

### Maximum annual contribution

Lesser of earned income or \$5,000  
Up to \$5,000 contribution can also be made for nonworking spouse  
Catch-up contributions (Taxpayers age 50 and over): \$1,000

### Contribution eligibility

AGI is not more than \$105,000 (single) or \$167,000 (married); phaseouts apply if AGI is \$105,001-\$120,000 (single) or \$167,001-\$176,000 (married)

### Deductibility

Contributions to Roth IRAs are not deductible

### Conversion eligibility

There is no MAGI restriction on eligibility for a Roth IRA conversion

## BASE AMOUNT OF MODIFIED AGI CAUSING SOCIAL SECURITY BENEFITS TO BE TAXABLE

	50% taxable	85% taxable
Married/Filing jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

## MAXIMUM EARNINGS BEFORE SOCIAL SECURITY BENEFITS ARE REDUCED

Under full retirement age (\$1 withheld for every \$2 above limit)	\$14,160
Full retirement age and over	No limit*

\* Interim limit applies for months prior to attaining full retirement age during year individual reaches full retirement age.

This information is general in nature and is not meant as tax or legal advice. Tax laws are subject to change. Please consult your legal or tax advisor.

## MAXIMUM COMPENSATION SUBJECT TO FICA TAXES

OASDI (Soc. Sec.) maximum	\$106,800
HI (Medicare) maximum	No limit

OASDI and HI tax rate: 15.3%, self-employed 7.65%, employees.

## GIFTS OCCURRING IN 2010 (subtract applicable credit from calculated tax)

If gross estate or gift is:		The tax is	Of the amount over
Over	But not over		
\$ 0	\$ 10,000	\$ 0.00 + 18%	\$ 0
10,000	20,000	1,800.00 + 20%	10,000
20,000	40,000	3,800.00 + 22%	20,000
40,000	60,000	8,200.00 + 24%	40,000
60,000	80,000	13,000.00 + 26%	60,000
80,000	100,000	18,200.00 + 28%	80,000
100,000	150,000	23,800.00 + 30%	100,000
150,000	250,000	38,800.00 + 32%	150,000
250,000	\$500,000	70,800.00 + 34%	250,000
500,000	—	155,800.00 + 35%	500,000

\* Annual gift tax exclusion (2010): Individual, \$13,000; Married electing split gifts, \$26,000.

Lifetime gift tax exemption: \$1,000,000

GST tax exemption (2010): Unlimited

Unless legislative action occurs, there will be no estate tax applied in 2010.

## MODIFIED AGI PHASEOUTS FOR HOPE SCHOLARSHIP CREDIT

Married/Filing jointly	\$160,000-\$180,000
Others	\$80,000-\$90,000

## MODIFIED AGI PHASEOUTS FOR LIFETIME LEARNING CREDIT

Married/Filing jointly	\$100,000-\$120,000
Single	\$50,000-\$60,000

## MODIFIED AGI PHASEOUTS FOR EXCLUSION OF U.S. SAVINGS BOND INCOME USED FOR HIGHER EDUCATION EXPENSES

Married/Filing jointly	\$105,100-\$135,100
Others	\$70,100-\$85,100

## MODIFIED AGI PHASEOUTS FOR CONTRIBUTIONS TO COVERDELL EDUCATION SAVINGS ACCOUNTS

Maximum Contribution: \$2,000 per beneficiary, per year

Married/Filing jointly	\$190,000-\$220,000
Single	\$95,000-\$110,000

## 2010 AMT EXEMPTIONS\*

	Exemption
Single/head of household	\$33,750
Married/filing jointly and qualifying widow(er)s	\$45,000

\* Unless legislative action occurs, the AMT exemption amounts will revert back to year 2000 levels. For reference, the 2009 AMT exemption amounts were \$46,700 for single/head of household and \$70,950 for married/filing jointly and qualified widow(er)s.