

2012 tax rates, schedules, and contribution limits

INCOME TAX				
	If taxable income is		The tax is	Of the
	over	but not over		amount over
Married/filing jointly and qualifying widow(er)s	\$ 0	\$ 17,400	\$ 0.00 + 10%	\$ 0
	17,400	70,700	1,740 + 15%	17,400
	70,700	142,700	9,735 + 25%	70,700
	142,700	217,450	27,735 + 28%	142,700
	217,450	388,350	48,665 + 33%	217,450
	388,350	—	105,062 + 35%	388,350
Single	\$ 0	\$ 8,700	\$ 0.00 + 10%	\$ 0
	8,700	35,350	870 + 15%	8,700
	35,350	85,650	4,867.50 + 25%	35,350
	85,650	178,650	17,442.50 + 28%	85,650
	178,650	388,350	43,482.50 + 33%	178,650
	388,350	—	112,683.50 + 35%	388,350
Estates and trusts	\$ 0	\$ 2,400	\$ 0.00 + 15%	\$ 0
	2,400	5,600	360 + 25%	2,400
	5,600	8,500	1,160 + 28%	5,600
	8,500	11,650	1,972 + 33%	8,500
	11,650	—	3,011.50 + 35%	11,650

CORPORATE TAX				
	If taxable income is		The tax is	Of the
	over	but not over		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).....	\$17,000
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.....	17,000
Limit on annual additions to defined contribution plans.....	50,000
Annual compensation threshold requiring SEP contribution.....	550
Limit on annual additions to SEP plans.....	50,000
Maximum annual compensation taken into account for contributions.....	250,000
Annual benefit limit under defined benefit plans.....	200,000
Limitation used in definition of highly compensated employee.....	115,000

Sources: IRS and Social Security Administration update, 2011.

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 (applies to unearned income of children under age 18*)		
First	\$ 950	No tax
Next	950	10% tax rate
Unearned income over	1,900	Parents' rate

* Kiddie tax also applies at age 18 unless child's earned income represents more than one half of support needs. Tax also applies at ages 19–23 if the child is a full-time student unless child's earned income represents more than one half of support needs.

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	\$11,900	\$1,150
Single	\$5,950	\$1,450

PERSONAL EXEMPTIONS	
	Exemption
Married/Filing jointly and qualifying widow(er)s	\$3,800 each
Single	\$3,800

MAXIMUM QUALIFIED LONG-TERM-CARE INSURANCE PREMIUMS ELIGIBLE FOR DEDUCTION					
Age	40 or less	>40, ≤50	>50, ≤60	>60, ≤70	Over 70
2012	\$350	\$660	\$1,310	\$3,500	\$4,370

Qualified LTC contract per diem limit: \$310.

Not FDIC insured | May lose value | No bank guarantee

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 TABLE

Filing status	Covered by employer's retirement plan	Modified AGI 2011	Modified AGI 2012	Deductibility
Single	No	Any amount	Any amount	Full
	Yes	\$56,000	\$58,000	Full
	Yes	\$56,001-\$65,999	\$58,001-\$67,999	Partial
	Yes	\$66,000 or more	\$68,000 or more	None
Married/ Jointly	Neither spouse covered	Any amount	Any amount	Full
	Both spouses covered	\$90,000 or less \$90,001-\$109,999 \$110,000 or more	\$92,000 or less \$92,001-\$111,999 \$112,000 or more	Full Partial None
Married/ Jointly	Yes, but spouse is not covered	\$90,000 or less \$90,001-\$109,999 \$110,000 or more	\$92,000 or less \$92,001-\$111,999 \$112,000 or more	Full Partial None
	No, but spouse is covered	\$169,000 or less \$169,001-\$178,999 \$179,000 or more	\$173,000 or less \$173,001-\$182,999 \$183,000 or more	Full Partial 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
Modified AGI is not more than \$110,000 (single) or \$173,000 (married/filing jointly); phaseouts apply if Modified AGI is \$110,001-\$124,999 (single) or \$173,001-\$182,999 (married/filing jointly)
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)	\$14,640
Full retirement age and over	No limit*

* Interim annual limit of \$38,880 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	\$110,100
HI (Medicare) maximum	No limit

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

* Assumes 2011 employee payroll tax rate of 4.2% does not get extended into 2012.

DEATH/GIFTS OCCURRING IN 2012* (subtract applicable credit from calculated tax)

If gift/gross estate 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 (2012): Individual, \$13,000; Married electing split gifts, \$26,000.

Combined lifetime gift tax and gross estate tax exemption: \$5,120,000.

GST tax exemption: \$5,120,000.

MODIFIED AGI PHASEOUTS FOR AMERICAN OPPORTUNITY TAX CREDIT

Married/Filing jointly	\$160,001-\$179,999
Others	\$80,001-\$89,999

MODIFIED AGI PHASEOUTS FOR LIFETIME LEARNING CREDIT

Married/Filing jointly	\$104,001-\$123,999
Single	\$52,001-\$61,999

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

Married/Filing jointly	\$109,251-\$139,249
Others	\$72,851-\$87,849

MODIFIED AGI PHASEOUTS FOR CONTRIBUTIONS TO COVERDELL EDUCATION SAVINGS ACCOUNTS Maximum contribution: \$2,000 per beneficiary, per year

Married/Filing jointly	\$190,001-\$219,999
Single	\$95,001-\$109,999

2012 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 2011 AMT exemption amounts were \$48,450 for single/head of household and \$74,450 for married/filing jointly and qualified widow(er)s.