

TAX POCKET GUIDE 2010

2010 INDIVIDUAL INCOME TAX RATES

Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 16,750	..... 10%	\$ 0
\$ 16,750 – \$ 68,000	\$ 1,675 + 15%	\$ 16,750
\$ 68,000 – \$ 137,300	\$ 9,363 + 25%	\$ 68,000
\$ 137,300 – \$ 209,250	\$ 26,688 + 28%	\$ 137,300
\$ 209,250 – \$ 373,650	\$ 46,834 + 33%	\$ 209,250
\$ 373,650 and above	\$101,086 + 35%	\$ 373,650

Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,375	..... 10%	\$ 0
\$ 8,375 – \$ 34,000	\$ 838 + 15%	\$ 8,375
\$ 34,000 – \$ 68,650	\$ 4,681 + 25%	\$ 34,000
\$ 68,650 – \$ 104,625	\$ 13,344 + 28%	\$ 68,650
\$ 104,625 – \$ 186,825	\$ 23,417 + 33%	\$ 104,625
\$ 186,825 and above	\$ 50,543 + 35%	\$ 186,825

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,375	..... 10%	\$ 0
\$ 8,375 – \$ 34,000	\$ 838 + 15%	\$ 8,375
\$ 34,000 – \$ 82,400	\$ 4,681 + 25%	\$ 34,000
\$ 82,400 – \$ 171,850	\$ 16,781 + 28%	\$ 82,400
\$ 171,850 – \$ 373,650	\$ 41,827 + 33%	\$ 171,850
\$ 373,650 and above	\$108,421 + 35%	\$ 373,650

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,950	..... 10%	\$ 0
\$ 11,950 – \$ 45,550	\$ 1,195 + 15%	\$ 11,950
\$ 45,550 – \$ 117,650	\$ 6,235 + 25%	\$ 45,550
\$ 117,650 – \$ 190,550	\$ 24,260 + 28%	\$ 117,650
\$ 190,550 – \$ 373,650	\$ 44,672 + 33%	\$ 190,550
\$ 373,650 and above	\$105,095 + 35%	\$ 373,650

The phaseout of personal exemptions for taxpayers above certain income levels is not reflected in these schedules.

2010 Qualified Dividend Income 15% (0% for lower brackets)

2009 INDIVIDUAL INCOME TAX RATES

Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 16,700	..... 10%	\$ 0
\$ 16,700 – \$ 67,900	\$ 1,670 + 15%	\$ 16,700
\$ 67,900 – \$ 137,050	\$ 9,350 + 25%	\$ 67,900
\$ 137,050 – \$ 208,850	\$ 26,638 + 28%	\$ 137,050
\$ 208,850 – \$ 372,950	\$ 46,742 + 33%	\$ 208,850
\$ 372,950 and above	\$100,895 + 35%	\$ 372,950

Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,350	..... 10%	\$ 0
\$ 8,350 – \$ 33,950	\$ 835 + 15%	\$ 8,350
\$ 33,950 – \$ 68,525	\$ 4,675 + 25%	\$ 33,950
\$ 68,525 – \$ 104,425	\$ 13,319 + 28%	\$ 68,525
\$ 104,425 – \$ 186,475	\$ 23,371 + 33%	\$ 104,425
\$ 186,475 and above	\$ 50,447 + 35%	\$ 186,475

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,350	..... 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 above	\$108,216 + 35%	\$ 372,950

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,950	..... 10%	\$ 0
\$ 11,950 – \$ 45,500	\$ 1,195 + 15%	\$ 11,950
\$ 45,500 – \$ 117,450	\$ 6,228 + 25%	\$ 45,500
\$ 117,450 – \$ 190,200	\$ 24,215 + 28%	\$ 117,450
\$ 190,200 – \$ 372,950	\$ 44,585 + 33%	\$ 190,200
\$ 372,950 and above	\$104,893 + 35%	\$ 372,950

The phaseout of personal exemptions for taxpayers above certain income levels is not reflected in these schedules.

2009 Qualified Dividend Income 15% (0% for lower brackets)

ESTATE AND GIFT TAX RATES

Estate Taxes

	2010*	2009
Estate tax exemption	\$ N/A	\$ 3,500,000
Applicable credit amount	\$ N/A	\$ 1,455,800
Top estate tax rate	N/A	45%

*Under current law, the estate tax is eliminated in 2010.

Gift Taxes

	2010	2009
Lifetime gift tax exemption	\$ 1,000,000	\$ 1,000,000
Annual gift tax exclusion		
Gifts per person	\$ 13,000	\$ 13,000
Joint gifts by spouse	\$ 26,000	\$ 26,000
Top gift tax rate	35%	45%

ALTERNATIVE MINIMUM TAX

AMT Exemption	2010*	2009
Single filers	\$ 33,750	\$ 46,700
Joint filers	\$ 45,000	\$ 70,950
Married, filing separately	\$ 22,500	\$ 35,475
Head of household	\$ 33,750	\$ 46,700

*Adjustments are expected.

LONG-TERM CARE INSURANCE

If you are:	You may deduct this much of your annual premiums	
	2010	2009
Over 70	\$ 4,110	\$ 3,980
61 to 70	\$ 3,290	\$ 3,180
51 to 60	\$ 1,230	\$ 3,180
41 to 50	\$ 620	\$ 600
40 and under	\$ 330	\$ 320

MEDICARE

	2010	2009
Monthly premium	\$ 96.40	\$ 96.40
Deductibles and Coinsurance		
Hospital: your cost, first 60 days	\$1,100.00	\$1,068.00

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PERSONAL EXEMPTIONS

	2010*	2009
Deduction for each taxpayer, spouse, and dependent	\$ 3,650	\$ 3,650
Personal exemptions phase out after the following threshold amounts:		
Joint returns or surviving spouse	\$ N/A	\$ 250,200
Head of household	\$ N/A	\$ 208,500
Single	\$ N/A	\$ 166,800
Married filing separately	\$ N/A	\$ 125,100

*Under the current law, the personal exemptions phaseout is eliminated for 2010.

STANDARD DEDUCTION*

	2010	2009
Married filing jointly	\$ 11,400	\$ 11,400
Single	\$ 5,700	\$ 5,700
Head of household	\$ 8,400	\$ 8,350
Married filing separately	\$ 5,700	\$ 5,700
Additional - blind or elderly		
Single	\$ 1,400	\$ 1,400
Married	\$ 1,100	\$ 1,100
**Dependents	\$ 950	\$ 950

* Deduct the greater of standard or itemized deductions.

** Greater of amount above or \$300 plus dependant's earned income.

CORPORATE INCOME TAX RATES

Regular Tax

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 50,000	..... 15%	\$ 0
\$ 50,001 – \$ 75,000	\$ 7,500 + 25%	\$ 50,000
\$ 75,001 – \$ 100,000	\$ 13,750 + 34%	\$ 75,000
\$ 100,001 – \$ 335,000	\$ 22,250 + 39%	\$ 100,000
\$ 335,001 – \$ 10,000,000	\$ 113,900 + 34%	\$ 335,000
\$ 10,000,001 – \$ 15,000,000	\$ 3,400,000 + 35%	\$ 10,000,000
\$ 15,000,001 – \$ 18,333,333	\$ 5,150,000 + 38%	\$ 15,000,000
\$ 18,333,334 and above	a flat 35%	

Personal Service Corporations — 35% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

Corporate Estate Tax — 100% (Where applicable)

BUSINESS

Depreciation

36-Month Assets (Straight-Line)	Most software
3-Year Assets (200% DB)	Dies, molds, small tools, certain horses
5-Year Assets (200% DB)	Autos, computers, typewriters, copiers, many types of equipment, private aircraft
7-Year Assets (200% DB)	Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment
7-Year Assets (150% DB)	Farm equipment
27.5-Year Assets (Straight-Line)	Rental houses, apartments, low-income housing
39-Year Assets (Straight-Line)	Nonresidential buildings

Personal Property Depreciation

Percent of Original Depreciable Basis under 200% DB Method
(Not applicable for mid-quarter convention)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

Section 179 Expense

	2010	2009
Maximum expense election	\$134,000	\$250,000
Phaseout threshold	\$530,000	\$800,000

COVERDELL ESAs — 2010 & 2009

- Contribution limit \$ 2,000 per beneficiary
- AGI phaseouts:*
 - Joint filers \$ 190,000 – \$ 220,000
 - Individual filers \$ 95,000 – \$ 110,000

* Phaseout applies to the contributor, not the beneficiary.

Note: Coverdell ESAs (Education Savings Accounts) were formerly known as Education IRAs. Contributions for ESAs must be made before the filing date of the tax return, not including extensions.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2010	2009
Individual Retirement Accounts (IRAs)*	\$ 5,000	\$ 5,000
Section 401(k) plans or SAR-SEPs*	\$ 16,500	\$ 16,500
Section 403(b) plans*	\$ 16,500	\$ 16,500
Section 408(p)(2)(E) SIMPLE contributions*	\$ 11,500	\$ 11,500
Section 457(b)(2) limit*	\$ 16,500	\$ 16,500
Section 415 limit for:		
Defined contribution plans*	\$ 49,000	\$ 49,000
Defined benefit plans	\$ 195,000	\$ 195,000
Highly compensated employees Section 414(q)	\$ 110,000	\$ 110,000

FICA taxable wage base

Social security (tax rate 6.20% for employees; 12.40% for self-employed)	\$ 106,800	\$ 106,800
Medicare (tax rate 1.45% for employees; 2.90% for self-employed)	No limit	No limit

* Age 50 additional contributions

401(k) type plans	\$ 5,500	\$ 5,500
SIMPLEs	\$ 2,500	\$ 2,500
IRAs	\$ 1,000	\$ 1,000

*The section 415 compensation limit for defined contribution plans is \$245,000 for 2009 and 2010.

Roth IRAs - 2010 & 2009

- Nondeductible contributions
- Qualified tax-free distributions
- AGI limit for maximum contributions

	2010	2009
Joint filers	\$ 167,000	\$ 166,000
Individual filers	\$ 105,000	\$ 105,000

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MISCELLANEOUS AREAS

Estimated Tax

	2010	2009
Threshold	\$ 1,000	\$ 1,000
Percentage required	90%	90%
Safe harbor (prior year)	100%	100%
Safe harbor (prior year) high income	110%	110%

Income Thresholds for Filing Requirements

	2010	2009
Single, under 65	\$ 9,350	\$ 9,350
Single, over 65	\$ 10,750	\$ 10,750
Married, under 65 (both spouses)	\$ 18,700	\$ 18,700
Married, over 65 (both spouses)	\$ 20,900	\$ 20,900
Married, 65 or older (one spouse)	\$ 19,800	\$ 19,800

Employment Taxes - 2010 & 2009

Federal Unemployment Tax		
Wage base on which employer pays tax		\$ 7,000
Tax Rate		.8%
State of Florida Unemployment Tax		
Wage base on which employer pays tax		\$ 8,500

Minimum Wage - 2010 & 2009

	2010	2009
Federal minimum wage law	\$ 7.25/hr	\$ 7.25/hr
Florida minimum wage law	\$ 7.25/hr	\$ 7.21/hr

HEALTH SAVINGS ACCOUNTS

Contribution Limits	2010	2009
Individual, self-only	\$ 3,050	\$ 3,000
Family Coverage	\$ 6,150	\$ 5,950
Catch-up for those age 55 and older	\$ 1,000	\$ 1,000

High-Deductible Health Plans

Minimum Deductible		
Individual, self-only	\$ 1,200	\$ 1,150
Family coverage	\$ 2,400	\$ 2,300
Maximum Annual Out-of-Pocket		
Individual, self-only	\$ 5,950	\$ 5,800
Family coverage	\$ 11,900	\$ 11,600

STANDARD MILEAGE RATES

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

HEALTH INSURANCE DEDUCTION

	2010	2009
Self-employed, Federal	100%	100%

CAPITAL GAINS — 2010 & 2009

Holding Period	Top Capital Gains Rates
12 months or less	35%
More than 12 months	15%
Depreciation recapture on real estate	25%
Collectibles and certain small business stock	28%

SOCIAL SECURITY

Maximum Annual Earned Income Limit

	2010	2009
Under full retirement age	\$ 14,160	\$ 14,160
Full retirement age	No Limit	No Limit

* For people reaching full retirement age in 2010, the limit is \$37,680 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

SERVICES

Accounting, Auditing & Financial Reporting

Audits, Reviews & Compilations
Budgeting & Cash Forecasting
Business Advisory Services
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Tax Services

Business, Estate & Personal Tax Planning
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