

## 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

\* A 5-year depreciation schedule is available for qualifying farm machinery/equipment through 2011.

### 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

	2011	2010
Maximum expense election	\$ 500,000	\$ 500,000
Phaseout threshold	\$2,000,000	\$2,000,000

## 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.

## ESTATE AND GIFT TAXES

### Estate Taxes

	2011	2010*
Estate tax exemption	\$ 5,000,000	N/A
Applicable credit amount	\$ 1,730,800	N/A
Top estate tax rate	35%	N/A

\* Under current law, the estate tax is eliminated in 2010, but individuals have the option to apply the estate tax based on 2011 rates, with stepped-up basis rules, or no estate tax, with modified carryover basis rules.

### Gift Taxes

	2011	2010
Lifetime gift tax exemption	\$ 5,000,000	\$ 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%	35%

## LONG-TERM CARE INSURANCE

#### If you are:

#### You may deduct this much of your annual premiums

	2011	2010
Over 70	\$ 4,240	\$ 4,110
61 to 70	\$ 3,390	\$ 3,290
51 to 60	\$ 1,270	\$ 1,230
41 to 50	\$ 640	\$ 620
40 and under	\$ 340	\$ 330

## CAPITAL GAINS — 2011 & 2010

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%

## COVERDELL ESAs — 2011 & 2010

• 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: Contributions for ESAs must be made before the filing date of the tax return, not including extensions.

## STANDARD MILEAGE RATES

Use	2011	2010
Business	51¢ per mile	50¢ per mile
Charitable	14¢ per mile	14¢ per mile
Medical	19¢ per mile	16.5¢ per mile
Moving	19¢ per mile	16.5¢ per mile

This publication is distributed with the understanding that the publisher and distributor are not rendering legal, accounting, or other professional advice and assume no liability whatsoever in connection with its use. © 2011 MHM Publications Inc.

# TAX POCKET GUIDE

# 2011

## 2011 INDIVIDUAL INCOME TAX RATES

### Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 17,000	..... 10%	\$ 0
\$ 17,000 – \$ 69,000	\$ 1,700 + 15%	\$ 17,000
\$ 69,000 – \$ 139,350	\$ 9,500 + 25%	\$ 69,000
\$ 139,350 – \$ 212,300	\$ 27,088 + 28%	\$ 139,350
\$ 212,300 – \$ 379,150	\$ 47,514 + 33%	\$ 212,300
\$ 379,150 and above	\$ 102,574 + 35%	\$ 379,150

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,500	..... 10%	\$ 0
\$ 8,500 – \$ 34,500	\$ 850 + 15%	\$ 8,500
\$ 34,500 – \$ 69,675	\$ 4,750 + 25%	\$ 34,500
\$ 69,675 – \$ 106,150	\$ 13,544 + 28%	\$ 69,675
\$ 106,150 – \$ 189,575	\$ 23,757 + 33%	\$ 106,150
\$ 189,575 and above	\$ 51,287 + 35%	\$ 189,575

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,500	..... 10%	\$ 0
\$ 8,500 – \$ 34,500	\$ 850 + 15%	\$ 8,500
\$ 34,500 – \$ 83,600	\$ 4,750 + 25%	\$ 34,500
\$ 83,600 – \$ 174,400	\$ 17,025 + 28%	\$ 83,600
\$ 174,400 – \$ 379,150	\$ 42,449 + 33%	\$ 174,400
\$ 379,150 and above	\$ 110,017 + 35%	\$ 379,150

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 12,150	..... 10%	\$ 0
\$ 12,150 – \$ 46,250	\$ 1,215 + 15%	\$ 12,150
\$ 46,250 – \$ 119,400	\$ 6,330 + 25%	\$ 46,250
\$ 119,400 – \$ 193,350	\$ 24,618 + 28%	\$ 119,400
\$ 193,350 – \$ 379,150	\$ 45,324 + 33%	\$ 193,350
\$ 379,150 and above	\$ 106,638 + 35%	\$ 379,150

### 2011 Qualified Dividend Income 15% (0% for lower brackets)

#### STANDARD DEDUCTION\*

	2011	2010
Married, filing jointly	\$ 11,600	\$ 11,400
Married, filing separately	\$ 5,800	\$ 5,700
Single	\$ 5,800	\$ 5,700
Head of household	\$ 8,500	\$ 8,400

#### Additional — blind or elderly

Single	\$ 1,450	\$ 1,400
Married	\$ 1,150	\$ 1,100

\* Deduct the greater of standard or itemized deductions.

## 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

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

#### PERSONAL EXEMPTIONS

	2011*	2010*
Deduction for each taxpayer, spouse, and dependent	\$ 3,700	\$ 3,650

\* Under current law, the personal exemptions phaseout is eliminated through 2012.

## RETIREMENT PLANS

### Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2011	2010
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.

\*\* In 2011, the tax rate is reduced to 4.20% for employees and 10.40% for self-employed.

### Roth IRAs

AGI limit for maximum contributions:	2011	2010
Joint filers	\$ 169,000	\$ 167,000
Individual filers	\$ 107,000	\$ 105,000

\* Beginning in 2010, the income limit on converting traditional IRAs to Roth IRAs is eliminated.

## SOCIAL SECURITY

Annual Earned Income Limit	2011	2010
Under full retirement age	\$ 14,160	\$ 14,160
Full retirement age	No Limit	No Limit

\* For people reaching full retirement age in 2011, the limit is \$37,680 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

## HEALTH SAVINGS ACCOUNTS

Contribution Limits	2011	2010
Individual, self-only	\$ 3,050	\$ 3,050
Family Coverage	\$ 6,150	\$ 6,150
Catch-up for those age 55 and older	\$ 1,000	\$ 1,000

For 2011, the minimum deductible for a high-deductible health plan (HDHP) is \$1,200 for self-only coverage and \$2,400 for family coverage. The maximum out-of-pocket limit is \$5,950 for self-only coverage and \$11,900 for family plans.

## ALTERNATIVE MINIMUM TAX

AMT Exemptions	2011	2010
Married, filing jointly	\$ 74,450	\$ 72,450
Married, filing separately	\$ 37,225	\$ 36,225
Single	\$ 48,450	\$ 47,450
Head of household	\$ 48,450	\$ 47,450