

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

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

	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%

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	\$ 1,190
41 to 50	\$ 620	\$ 600
40 and under	\$ 330	\$ 320

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%

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.

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

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2010 Tax Pocket Guide

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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)

STANDARD DEDUCTION*

	2010	2009
Married, filing jointly	\$ 11,400	\$ 11,400
Married, filing separately	\$ 5,700	\$ 5,700
Single	\$ 5,700	\$ 5,700
Head of household	\$ 8,400	\$ 8,350

Additional — blind or elderly

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

* Deduct the greater of standard or itemized deductions.

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)

PERSONAL EXEMPTIONS

	2010*	2009
Deduction for each taxpayer, spouse, and dependent	\$ 3,650	\$ 3,650

Personal exemptions begin to phase out after the following threshold amounts:

Married, filing jointly	N/A	\$ 250,200
Married, filing separately	N/A	\$ 125,100
Single	N/A	\$ 166,800
Head of household	N/A	\$ 208,500

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

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) FICA taxable wage base	\$ 110,000	\$ 110,000
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

AGI limit for maximum contributions:	2010*	2009
Joint filers	\$ 167,000	\$ 166,000
Individual filers	\$ 105,000	\$ 105,000

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

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.

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

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

* Adjustments are expected.