

# SUMMARY OF IMPORTANT TAX DATA FOR TY 2010

[2011 in italics; CA shaded]

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## Federal & CA Tax Rate Schedules

Tax rates (not brackets) extended through 12/31/12

Filing Status	10%	15%	25% <small>NOTE: Marriage Penalty</small>	26%	28% <small>NOTE: Marriage Penalty</small>	33%	35%
Single	<8,375	<34,000	<82,400	N/A	<171,850	<373,650	>373,650
Married Joint	<16,750	<68,000	<137,300	N/A	<209,250	<373,650	>373,650
Alt. Min. Tax	N/A	N/A	N/A	<175K	>175K	N/A	N/A

Filing Status	1.25% <small>1% in '11</small>	2.25% <small>2%</small>	4.25% <small>4%</small>	6.25% <small>6%</small>	AMT <small>7.25% 7%</small>	8.25% <small>8%</small>	9.55% <small>9.3%</small>	10.55% <small>10.3%</small>
Single	<7,124	<16,890	<26,657	<37,005	>223,669	<46,766	>46,766	>1million
Married Jt	<14,248	<33,780	<53,314	<74,010	>298,224	<93,532	>93,532	>1million

## Capital Gains Rates

CA: Capital Gains taxed at Ordinary Rates & NO Qlfd. Div.

Taxpayer's Tax Bracket	STCG ≤ 1 year	LTCG > 1 year & Qualified Dividends	§ 1250 Deprec. Recapture	Collectibles & § 1202 Sm Bus Stk
10 & 15%	10 or 15%	0% (through 12/31/12)	25%	28%
25 to 35%	25 to 35%	15% (through 12/31/12)	25%	28%

Capital Gains taxed at 0% = Top End of 15% Marginal Tax Bracket – (Taxable Income – Adjusted Net Capital Gain)

CG Rate applies to **Qualified Dividends** held >60 days during 120-day period beginning 60 days before ex-dividend date, incl. some preferred & foreign stocks; excluding REIT, S-Corp & Mutual Fund STCGs—Capital losses cannot offset dividends. CA does not conform.

## Exemptions & Deductions

Filing Status	Filing Requirements	Standard Deduction	Personal Exemption	AMT Exemption
Single	9,350 (9,500) CA: 14,754	5,700 (5,800) CA: 3,670	3,650 (3,700) CA: 99	47,450 (48,450) CA: 59,646
Married Joint	18,700 (19,400) CA: 29,508	11,400 (11,600) CA: 7,340	7,300 (7,800) CA: 198	72,450 (74,450) CA: 79,526
Senior or Blind (Single)	10,750 (10,950) CA: 19,704	1,400 (1,450) CA: 99	N/A	N/A
Senior or Blind (Married Joint)	19,800 (20,550) CA: 34,458	1,100 (1,150) CA: 99	N/A	N/A
Child < age 19 (24 if FT stdt), CA: 14 w/ Unearned Inc. < 1,900 (1,900) [or elect Form 8814]	950 (950) CA: 950	950 (950) CA: 950	0	lesser of 6,400 plus earned income OR \$46,200



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## Taxable Equivalent Yields

CA: GNMMAs & FNMMAs are taxable

	2.0% TF Yld	4.0% TF Yld	6.0% TF Yld
15%	2.35	4.71	7.06
25%	2.67	5.33	8.00
28%	2.78	5.56	8.33
33%	2.99	5.97	8.96
35%	3.08	6.15	9.23
Fed + CA (44.3%)	3.59	7.18	10.77

## Estate & Trust Tax Rates (Fiduciary Returns)

Taxable Inc	Tax Rate (%)
Under 2,300	15
2,301–5,350	25
5,351–8,200	28
8,201–11,200	33
Over 11,200	35

## CA Probate Court Fees

Estate Size (\$)	Maximum Fee
< 1 million	320 – 635
1 – 2 million	1,135 – 2,135
2 – 3.5 million	2,635 – 3,635
> 3.5 million	3,635 + 0.2% of xcs value

ALSO: Atty & Exctr each earn 4% of 1<sup>st</sup> \$100K, 3% of 2<sup>nd</sup> \$100K, 2% up to \$800K, 1% up to \$9M, & ½% up to \$15M; set by court thereafter

## Corporate Tax Rates

Taxable Income	Tax Rate
>50,000	15
50 – 75K	25
75 – 100K	34
100K – 335K	39
335K – 10 million	34
10 – 15 million	35
15 million – 18,333,333	38
>18,333,333	35

C-Corp: 800 min. fee OR 8.84% of taxable inc  
S-Corp: 800 min. fee OR 1.5% of taxable inc  
LLC: 900 fee PLUS ann tax if total inc > \$250K

## Federal (& State) Phase-out Ranges

Fil. Stat.	Pers. Xmpn. thru '12	Item. Ded. thru '12	AMT Xmpn.	Child Cred 1,000 thru '12	EIC 5,666 mx	IRA [See limits page 2]	Lo-Inc IRA 10-50% 2,000 mx	ROTH	Amer Opp 2,500 Under only	Lifetime Learning 2,000 Under/Grad	Educ. Svgs 2000	Std. Loan 2,500	Tuit & Fees 2-4K thru '11
S	N/A 162,186	N/A 162,186	112.5K-302.3K 223,669	Over 75K	13,460 (0) -43,352 (3 kids)	56-66K (56-66K) 50-60K	16,751 - 27,750	105-120K	80-90K	50-60K	95-110K	60-75K	65-80K
MFJ	N/A 324,376	N/A 324,376	150K - 439.8K 298,224	Over 110K	18,470 (0) -48,362 (3 kids)	89-109K (90-110) 80-100K	33,500 - 55,500	166-176K	160-180K	100-120K	190-220K	120-150K	130-160K

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## Social Security & Payroll Tax for 2011

Type	Maximums
Social Security Tax	Employer: 6.2% on 106,800 Employee: 4.2% on 106,800
Medicare Tax <sup>1</sup>	1.45% on ALL earnings
Medicare B Premiums	Current bene: \$96.40/mo New bene: \$115.40/mo
Medicare Prem Surcharge	If '09 inc >85K (S), 170K (M), addtl \$46.10 – \$253.70/mo
Income when SS taxable	14,160 if < full retirement age
CA Minimum Wage	8.00/hour (effective 1/1/08)
CA Disability (SDI)	1.2% on 93,316

<sup>1</sup> Emp'ee will pay addtl 0.9% tax for inc (jncl invstmnt) >\$200K (S), >\$250K (M) in 2013 → avoid surcharge w/ munis & ROTH

### Tax on SS Benefits w/ Excess Income

CA: SS benefits not taxable

Filing Status	0% Taxed	50% Taxed	85% Taxed
Single	<25K	25-32K	>32K
Married Jt	>32K	32-44K	>44K

### Retirement Account Limits

Type	Max. Contributions
IRA (& Spousal IRA)	5,000/6,000 if >50 (same)
SEP IRA	49K (same)
SIMPLE	11,500/14K if >50 (same)
401(k), 403(b) & 457	16,500/22K if >50 (same)
KEOGH/Def.Contrib.	49K (same)
Defined Benefit	195K (same)
ROTH Conversion	No AGI limitation after 1/1/10 - taxed in '11/'12 if cnvrtd in '10

### 2010 Standard Mileage Rates

Type	Cents/Mile
Business	50 (51)
Charity—all other	14 (14)
Medical & Moving	16.5 (19)

### Penalties & Fees

Type	Maximums
Early Withdrawal	10% (if age <59½) CA: 2.5%
Xcs Accumulation	50% (unless "reas. cause")
IRA Rollover Wvr	\$90 (Rev Proc 2003-4)
Late Filing	5% per mo. (max. 25%)
Late Payment	0.5% per mo. (max. 25%)
Underpayment Penalty Waiver	if <1K due or >110% pd if AGI>150K CA: if tax due > 500
EFT Failure	1% of amt that should've been e-paid
Rqst Installment Plan	\$105 (\$52 if using direct debit) \$20 (auto aprvl for <\$25K over 5 yrs)
OIC Min Pymt	≥ 20% for lump-sum OR installments
CA's BOE	10% of unpaid Use Tax
Frivolous Return	\$5,000
TDF 90-22.1	\$10,000

## Important Dates

Filing Dates (XTNs)	Estimated Taxes	Stat of Lmtns
1040: 4/18/11 (10/17) 1120: 3/15 (6mos) 1041/1065: 4/15 (5mos) 990: 5/15 (3 & 6mos)	1: 4/18/11 (30%) 3: 9/15/11 (0%) 2: 6/15/11 (40%) 4: 1/16/12 (30%) Pay by 12/31 if itemize unless AMT MUST e-pay if ES >20K or tot tax >80K	3yrs Audit 10yrs Clctns 4yrs Audit 20yrs Clctns

### Miscellaneous Exclusions and Limitations

Type	Amount
Qualifying Child	Related, live-in > ½ yr, < ½ own support, < age 19 (<24 if FT stdt), < age 13 for Dep Care, < age 17 for Child Cred
Gift Tax Exclusion	13,000, excess taxed at 35%--5,000,000 lifetime 136,000 to non-citizen spouse
Estate Tax Exclusion (through 12/31/12)	unlmted in '10 (file Form 8939 to preserve \$1.3 M basis step-up) OR elect '11 rates: \$5 million (xcs taxed at 35%)
Qlfd Char Distributions	direct transfer from IRA if age >70½—max \$100K xp. 12/31/11—can contribute thru 1/31/11 for 2010
Foreign Earned Inc	91,500 (92,900)—27,450 housing exclsn (29,728)
Tax Preference Items	xcs deprec, state tax, pers smptns, misc item ded, cap gains, pass loss, NOL, ISM (pvt. Activity int. OK in '10)
Payroll Tax Credit	6.2% of earned inc (max \$400/person)
AGI <95K (S), 190K (M)	
Nanny Tax—filing req	Over 1,700 wages/year (1,700)
§179 Investment Cr.	500,000 (approx. 125,000) CA: 25,000
Educator Dedctn §62	\$250 for classroom materials
Luxury Auto Deprec.	cars 3,060 (11,060)—trucks 3,160 (11,160)
In Yr. 1 (amt. if bonus)	federal bonus xp. 12/31/11; bonus not available in CA
Alt Fuel Motor Veh Cr.	Only: Ford/Mercury (25% thru 3/31/10), VW/Audi (100% thru 6/30/10, 50% thru 12/31/10) Single-ocpnt drvs use carpool lane Hybrids thru 7/1/11; 0-emissions thru 1/1/15
www.fueleconomy.gov	
Per Diem Rates	111-193 (108-168 after 10/1/10) lodging www.gsa.gov
Like-kind Exchanges	52-65 (52-65 after 10/1/10) meals & incidentals
Homebuyers Credit (if price ≤ 800K, AGI <145K (S), 245K (M))	id rplcmnt prop @ 45 dy & buy @ 180 dy aftr sell old (if convrt to 1°, must hold 5 yr for \$250K xclsn)
§121 Exclsn on Sale of Second Home	lesser of 10% price or \$8K if escrow closed by 7/1/10, 6,500 for exstng ownrs (5 of 8 yrs) if closed by 9/30/10 Only if FTB Cert of Allocation & buy 5/1 – 12/31/10
Non-qlfd Amt = (# yrs used as 1° since 2008 ÷ Total yrs owned) x Realized Gain	
Auto w/h at 3-1/3% of total sales price	
Mortgage Forgiveness Debt Relief	On 1° Residence loans up to \$2M (thru 2012) Max qlfd debt = \$800K & debt relief = \$500K
Mortgage Insur on Personal Residence	amount paid is deductible—10% phase-out for each \$1K of AGI over \$100K (xprs 12/31/10)—not in CA
Residential Energy Credit (not in CA)	30% of cost of qlfd propty installed by 12/31/10—cannot claim >\$1,500 for '09 & '10 combined
CA Renter's Credit	60 if AGI < 34,722 (S), 120 if AGI > 69,443 (MFJ)
LT Care Insur Premiums	330 (340) < age 40, 4,110 (4,240) > age 70
State Sales Tax	deductible in lieu of state/local tax pd (xprs 12/31/11)
CA Lottery Expenses	deductible only on federal
Net Operating Loss	2-yr (5-yr small bus.) carryback/20-yr carry-forward no NOL carry-back unls <\$300K inc (carry-fwd 20 yrs)

### Handy Reference Numbers

Organization	Telephone Number	Website
Internal Revenue Service	800/829-1040 Indiv or 800/829-4933 Bus 800/829-1954 Rfnd 800/777-4778 Advct 800/829-3676 Forms 888/272-9829 or 888/729-1040 Credit Card Pymts	www.irs.gov - send suspicious e-mails to <a href="mailto:phishing@irs.gov">phishing@irs.gov</a> Sales Tax Calc <a href="http://apps.irs.gov/app/stdc/">http://apps.irs.gov/app/stdc/</a> Retrmt Plan Navgtor <a href="http://www.retirementplans.irs.gov/">http://www.retirementplans.irs.gov/</a>
Franchise Tax Board	800/852-5711 General 800/272-9829 Credit Card Payments 916/845-0353 e-File & e-Pay Customer Service 916/845-4750 Bankruptcy (800) 689-4776 Collections	www.ftb.ca.gov www.ftb.ca.gov/online/webpay/ (credit card) Subscribe to ES reminder @ "Subscription Services"
Social Security Dept.	(800) 772-1213 General or 800/772-6270 SS # Verification	www.ssa.gov/planners/calculators.htm ( calcs)
Emplment Dev. Dept.	888/745-3886	www.edd.ca.gov
CA Board of Equaliztn	800/400-7115	www.boe.ca.gov
City of LA Bus. Permit	213/626-9271	www.lacity.org/finance/
Identity Theft Hotline	877/438-4338	www.consumer.gov/idtheft/
Treasury Direct	800/553-2663 Savings Bonds or 800/722-2678 Govt. Sec.	http://www.treasurydirect.gov
\$529 Qlfd Tuition Prgm	800/400-9113	www.savingforcollege.com or www.collegesavings.org
CA Veh Lic Fee Calc	Only VLF is ded—reqs License Plate & last 5 digits of VIN	https://mv.dmv.ca.gov/FeeCalculatorWeb/vlfForm.do
Unclaimed Property	800/992-4647	http://scoweb.sco.ca.gov/UCP/

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