

## BUSINESS

### 2011 Corporate Tax Rates

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	15.00%
\$50,000	\$7,500.00	25.00%
75,000	13,750.00	34.00%
100,000	22,250.00	39.00%
335,000	113,900.00	34.00%
10,000,000	3,400,000.00	35.00%
15,000,000	5,150,000.00	38.00%
18,333,333	6,416,667.00	35.00%

Capital Gains Tax Rate: Same as regular tax rate up to 35%

Personal Service Corporations: 35% flat tax rate

### Alternative Minimum Tax (AMT)

Tax Rate: 20%

Exemption Amount: \$40,000\*

\* Phased out for AMT income above \$150,000

## DEPRECIATION

### Luxury Vehicles Under 6,000 Pounds

Maximum depreciation for vehicles purchased in 2011-where the 50%/100% additional first-year deduction does not apply:

	Light Trucks & Vans	Autos
Year placed in service	\$3,260	\$3,060
2nd tax year	\$5,200	\$4,900
3rd tax year	\$3,150	\$2,950
Each succeeding year	\$1,875	\$1,775

Maximum depreciation for vehicles purchased in 2011-where the 100% additional first-year deduction does apply:

	Light Trucks & Vans	Autos
Year placed in service	\$11,260	\$11,060
2nd tax year	\$5,200	\$4,900
3rd tax year	\$3,150	\$2,950
Each succeeding year	\$1,875	\$1,775

Ceilings are based upon 100% business use

### Section 179

Section 179 is \$500,000, (\$2,000,000 qualifying property) for 2011.

Section 179 is \$139,000 (\$560,000 qualifying property) for 2012. There is a \$25,000 limitation on sports utility vehicles.

### Special (Bonus) Depreciation

Qualified *new* property - 100% if acquired and placed in service after Sept. 8, 2010 and before Jan. 1, 2012. Allowance is 50% if placed in service after Dec. 31, 2011 and before Jan. 1, 2013.

## ESTATE

### 2011 Estate and Trust Income Tax Rates

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	15.00%
\$2,300	\$345.00	25.00%
5,450	1,132.50	28.00%
8,300	1,930.50	33.00%
11,350	2,937.00	35.00%

### Unified Credit Exemption Equivalent

	Estate	Gift
2011	\$5,000,000	\$5,000,000
2012	\$5,120,000	\$5,120,000

Annual Gift Tax Exclusion for 2011 and 2012 is \$13,000.

## GENERAL

### Standard Mileage Deduction

Use	1/1/11- 6/30/11	7/1/11- 12/31/11	2012
	Business	\$0.51	
Charitable	0.14	0.14	0.14
Medical/Moving	0.19	0.235	0.23

### Self Employed Health Insurance

SE Health Insurance Deduction is 100%

### 2011/2012 Per Diem Rates

	Pre 10/01/11 Low Cost Area	Pre 10/01/11 High Cost Area
	Lodging	\$108
Meals & IE	\$52	\$65
	Post 9/30/11 Low Cost Area	Post 9/30/11 High Cost Area
	Lodging	\$111
Meals & IE	\$52	\$65

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2011-2012

## Pocket Tax Guide



Revised: 01/2012

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# INDIVIDUALS

## 2011 Individual Income Tax Rates

### Regular Tax - Married Filing Joint

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$17,000	\$1,700.00	15.00%
69,000	9,500.00	25.00%
139,350	27,087.50	28.00%
212,300	47,513.50	33.00%
379,150	102,574.00	35.00%

### Regular Tax - Single

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$8,500	\$850.00	15.00%
34,500	4,750.00	25.00%
83,600	17,025.00	28.00%
174,400	42,449.00	33.00%
379,150	110,016.50	35.00%

## 2012 Individual Income Tax Rates

### Regular Tax - Married Filing Joint

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$17,400	\$1,740.00	15.00%
70,700	9,735.00	25.00%
142,700	27,735.00	28.00%
217,450	48,665.00	33.00%
388,350	105,062.00	35.00%

### Regular Tax - Single

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$8,700	\$870.00	15.00%
35,350	4,867.50	25.00%
85,650	17,442.50	28.00%
178,650	43,482.50	33.00%
388,350	112,683.50	35.00%

## Long Term Capital Gains & Qualified Dividends

Transaction	Asset Held Over	Taxpayer's Ordinary Rate	
		10-15%	25-35%
Capital Gain Unrecaptured	12 months	0%	15% 2008-2012
Section 1250 gain	12 months	10-15%	25%
Qualified Dividend	N/A	0%	15%

Standard Deduction	2011	2012
Married Filing Jointly	\$11,600	\$11,900
Single	5,800	5,950
Head of Household	8,500	8,700
Married Filing Separately	5,800	5,950

Additional Blind or Elderly	2011	2012
Single & HOH	\$1,450	\$1,450
Married	1,150	1,150
Claimed as dependant of another: (greater of earned income plus \$300 up to \$5,800 for 2011 and \$5,950 for 2012) or this amount	950	950

Itemized Deduction Phaseout <sup>†</sup>	2011	2012
3% of AGI in excess (but not more than 80% of eligible itemized deductions for 2010.) (No phaseout for 2010-2012) Joint, Single and HOH	N/A	N/A

Personal Exemptions	2011	2012
Deductions for each	3,700	3,800
Personal exemption phaseout 2% for each \$2,500 of AGI in excess of: <sup>‡</sup>		
Joint	N/A	N/A
Single	N/A	N/A

<sup>†</sup>No phaseout for 2010-2012.

## Child Tax Credit

### 2011 and 2012 child credit of \$1,000 per child under age 17

Phase out begins when AGI reaches \$110,000 through \$129,001 for joint filers, \$75,000 through \$94,001 for single/HOH filers.

## Kiddie Tax

Kiddie Tax applies to unearned income in excess of \$1,900 for 2011 and applies to a child who has attained age 18 or is a full-time student and has not attained age 24 and whose earned income does not exceed half of their support.

## Estimated Tax Payments

To avoid possible underpayment penalties, you are generally required to pay in through withholding or estimated tax payments the lesser of: 100% of prior year tax liability or 90% of current year tax liability

2012 taxpayers with 2011 AGI greater than \$150,000 (\$75,000 for married filing separate) must pay the lesser of: 110% of prior year tax liability or 90% of current year tax liability

2012 estimated tax payments for individuals are due by:

4/16/2012	9/17/2012
6/15/2012	1/15/2013

## Alternative Minimum Tax (AMT)

Tax Rate 26% to \$175,000  
28% over \$175,000

Exemption Amounts	2011	Phase Out Begins
Single/Head of household	\$48,450	\$112,500
Married filing joint	74,450	150,000
Married filing separately	37,225	75,000

## Savings Incentive Match Plan for Employees (SIMPLE)

	2011	2012
Employee Contribution Limit	\$11,500	\$11,500
50 or older	+2,500	+2,500
Employer Contribution Limit	3% match	3% match
or 2% non-elective contribution		

## Individual Limits

Annual Compensation Limits	\$245,000	\$250,000
401(k) Contributions	16,500	17,000
Profit Sharing Plan-Corp. <sup>†</sup>	49,000	50,000
Money Purchase Plan-Corp. <sup>†</sup>	49,000	50,000
Profit Sharing Plan-SE <sup>††</sup>	49,000	50,000
Money Purchase Plan-SE <sup>††</sup>	49,000	50,000
SEP	49,000	50,000

<sup>†</sup>5,500 catch up contribution allowed for individuals age 50 and older in 2011 and 2012

<sup>††</sup>Limited to 100% of compensation

## Plan Deduction Limitations

	Profit Sharing	Money Purchase
Corporate	25%	25%
Self-employed (SE)	20%	20%
SEP-Corporate	25%	N/A
SEP-SE	20%	N/A

## Individual Retirement Accounts

### Not a participant in another plan:

2011 - \$5,000, max for non-working spouse

### Active participant in another plan:

Married AGI	2011	2012	Deduction
\$0-90,000	\$0-92,000	\$0-92,000	\$5,000 max <sup>†</sup> for 2011 and 2012
\$90,001-110,000	\$92,000-112,000	\$92,000-112,000	Phase out <sup>††</sup>
\$169,000-179,000	\$173,000-183,000	\$173,000-183,000	Phase out for non-active spouse/participant

### Single AGI

2011	2012	Deduction
\$0-56,000	\$0-58,000	\$5,000 max <sup>†</sup> for 2011 and 2012
\$56,001-66,000	\$58,001-68,000	Phase out

<sup>†</sup>\$1,000 catch up contribution for individuals age 50 and older for 2011 and 2012.

<sup>††</sup>Phase out only for spouse who is active participant.

## Roth IRA Eligibility

	AGI 2011	AGI 2012
Single/Head of household	\$107,000-122,000	\$110,000-125,000
Joint	\$169,000-179,000	\$173,000-183,000
Married filing separately	\$0-10,000	\$0-10,000
Rollover of regular IRA to ROTH IRA	\$0	\$0

## Social Security Information

	2011	2012
Social Security Base	\$106,800	\$110,100
Medicare Base	unlimited	unlimited
Social Security Tax Rate*	4.20%	4.20%
Medicare Tax Rate*	1.45%	1.45%
Max Social Security Tax	\$4,485.60	\$4,624.00

\*rate for self-employed individuals is 10.4%

## Medicare Part B Premium:

Per Month*	\$115.40**	\$99.90*
Per Year	1,384.80**	1,198.80*

## Annual Earnings

4 Quarters Coverage	\$4,360.00	\$4,530.00
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\*Larger premium for taxpayers with AGI above certain levels starting at \$170,001 for joint filers & \$85,001 for singles.

\*\* For people receiving part B beginning 1-1-11 or later.

## Maximum Annual Earned Income Limited:

Ages 62-64 (lose \$1 for \$2)	\$14,160	\$14,640
In year you reach full retirement age (lose \$1 for \$3)	\$3,140/month	\$3,240/month
Full Retirement age & older	unlimited	unlimited

## Taxable Social Security Benefits

Social security received is taxable if AGI, plus tax-exempt interest, plus half of social security received exceeds these base amounts.

The taxable amount is the lesser of:

1. % of the excess over the base amount
2. % of benefit received

	(50%)	(85%)
Married filing joint	\$32,001 - 44,000	\$44,001+
Single/HOH	\$25,001 - 34,000	\$34,001+
Married filing separately	\$0	\$0

## Education Credits and Deductions

**American Opportunity Tax Credit (replaces Hope Credit)**—Max of \$2,500 for 2011 and 2012. Based on 100% of the first \$2,000 and 25% of the next \$2,000 on qualified tuition and course materials.

Phaseout for the American Opportunity Tax Credit are \$80,000-\$90,000 for single filer and \$160,000-\$180,000 for married filing joint in 2011 and 2012.

**Lifetime Learning**—\$2,000 max per year, 20% of up to \$10,000 qualified tuition for 2011 and 2012.

Phaseout for Lifetime Learning Credit is \$51,000-\$60,000 for single/HOH filer and \$102,000-122,000 for married filing joint in 2011 and \$52,000-\$62,000 for single/HOH and \$104,000-124,000 for married filing joint in 2012.

**Qualified Higher Education Tuition Deduction**—\$4,000 above the line deduction for qualified tuition for 2011 if AGI is less than \$65,000 for single/HOH and \$130,000 married filing joint. \$2,000 if AGI is between \$65,000-80,000 for single/HOH and \$130,000-160,000 married filing joint.

**Student Loan Interest Deduction**—Deduction up to \$2,500. Deduction phaseout for student loan interest deduction is \$60,000-\$75,000 for single/HOH and \$120,000-\$150,000 for married filing joint in 2011.