

KEY FIGURES FOR THE 2007 AND 2008 TAX YEARS

	2007	2008
STANDARD DEDUCTIONS		
Married, Filing Joint Return	\$ 10,700	\$ 10,900
Surviving Spouse	\$ 10,700	\$ 10,900
Head of Household	\$ 7,850	\$ 8,000
Unmarried (not surviving spouse or head of household)	\$ 5,350	\$ 5,450
Married, Filing Separate Return	\$ 5,350	\$ 5,450
Dependent ("Kiddie") Standard Deduction	\$ 850	\$ 900
Additional Amount for Blindness or Age	\$ 1,050	\$ 1,050
Additional Amount as Above if Unmarried and not Surviving Spouse	\$ 1,300	\$ 1,350

EXEMPTIONS		
Personal and Dependent Amount	\$ 3,400	\$ 3,500
Joint Returns or Surviving Spouse (Phaseout starts)	\$ 234,600	\$ 239,950
Head of Household (Phaseout starts)	\$ 195,500	\$ 199,950
Unmarried (not Surviving or Head of Household) (Phaseout starts)	\$ 156,400	\$ 159,950
Married, Filing Separate Return (Phaseout starts)	\$ 117,300	\$ 119,975

ITEMIZED DEDUCTIONS		
Married, Filing Separate Return (Phaseout starts)	\$ 78,200	\$ 79,975
Others (Phaseout starts)	\$ 156,400	\$ 159,950
Casualty Loss (AGI Threshold)	10%	10%
Medical Deduction (AGI Threshold)	7.50%	7.50%
Miscellaneous Itemized (AGI Deduction Floor)	2%	2%

RETIREMENT/PENSION PLANS		
Maximum Annual Benefit for Defined Benefit Plan	\$ 180,000	\$ 185,000
Maximum Annual Benefit for Defined Contribution Plan	\$ 45,000	\$ 46,000
SEP Nondiscrimination Compensation Amount	\$ 225,000	\$ 230,000
401(k) Maximum Compensation Amount	\$ 225,000	\$ 230,000
401(k), 403(b), & 457 Plans Maximum Exclusion (In general)	\$ 15,500	\$ 15,500
Traditional or Roth IRA Deduction Limit (In general)	\$ 4,000 ¹	\$ 5,000 ¹
SIMPLE Contribution Limit	\$ 10,500	\$ 10,500
SEP IRA Contribution Limit	\$ 45,000 ²	\$ 46,000 ²
Catch-up Contributions (Extra amount for taxpayers 50 and older)		
Traditional and Roth IRAs	\$ 1,000	\$ 1,000
SIMPLEs	\$ 2,500	\$ 2,500
401(k), 403(b), 457, and SEP Plans	\$ 5,000	\$ 5,000

¹ If a traditional and Roth IRA are both funded, then the total combined contributions cannot exceed the maximum limits listed above.

² The maximum contribution is the lesser of: 1) 25% of the employee's compensation (or, 20% of net earnings from self-employment) or 2) the stated contributions limits listed above.

ADJUSTED NET CAPITAL GAIN (ASSETS HELD MORE THAN 12 MONTHS)		
General Rate:	15%	15%
Low Rate: (Taxpayers in 10% or 15% bracket)	5%	0%
High Rate: Collectibles (coins, art, antiques)	28%	28%
Recaptured gain on real estate (Section 1250 gain)	25%	25%
Dividends, qualified (General rate)	15%	15%
Dividends, qualified (Taxpayers in 10% or 15% bracket)	5%	5%

ESTATE AND GIFT TAXES

Estate Tax Credit Shelter Amount	\$	2,000,000	\$	2,000,000
Gift Tax Credit Shelter Amount	\$	1,000,000	\$	1,000,000
Annual Gift Tax Exclusion Amount (Per donee)	\$	12,000	\$	12,000
Estate/Gift Tax Rate (Before phaseout)		45%		45%

PAYROLL TAXES

Soc. Sec. (Self-employed) Combined Rate (OASDI + Medicare)		15.30%		15.30%
Soc. Sec. (Employer or Employee) Rate (OASDI + Medicare)		7.65%		7.65%
Soc. Sec. (OASDI) Maximum Base	\$	97,500	\$	102,000
Medicare (HI) Maximum Base		No Limit		No Limit
Medicare (HI) Rate		2.90%		2.90%
Soc. Sec. (OASDI) Rate		6.20%		6.20%
FUTA Wage Base	\$	7,000	\$	7,000

EDUCATION PROVISIONS

Hope Scholarship Credit	\$	1,650	\$	1,800
Lifetime Learning Credit	\$	2,000	\$	2,000
Coverdell Education Savings Account Contribution	\$	2,000	\$	2,000
Student Loan Interest Deduction	\$	2,500	\$	2,500
U.S. Savings Bond Interest Exclusion (Phaseout starts)				
Married, filing joint return	\$	98,400	\$	100,650
Single, surviving spouse or head of household	\$	65,600	\$	67,100
Married, filing separate return	\$	0	\$	0
Education tax credits exclusion (Phaseout starts)				
Married, filing joint return	\$	94,000	\$	96,000
Single, surviving spouse or head of household	\$	47,000	\$	48,000

TRANSPORTATION

Fringe Benefit: Employer-provided passes and vehicles	\$	110/mo.	\$	115/mo.
Fringe Benefit: Qualified parking limit	\$	215/mo.	\$	220/mo.
Business Mileage Rate		48.5 ¢		50.5 ¢
Charitable Mileage Rate		14 ¢		14 ¢
Medical and Moving Mileage Rate		20 ¢		19 ¢

BUSINESS EXPENSES

Section 179 expensing	\$	125,000	\$	128,000
Expensing limit (Phaseout starts)	\$	500,000	\$	510,000
Meals and entertainment (deduction subject to limitation)		50%		50%

TAX RATE SCHEDULES FOR INDIVIDUALS

Married Filing Jointly (& Surviving Spouse)

2008 Taxable Income	Tax Rate	2007 Taxable Income	Tax Rate
\$0 - \$16,050	10%	\$0 - \$15,650	10%
\$16,050 - \$65,100	15%	\$15,650 - \$63,700	15%
\$65,100 - \$131,450	25%	\$63,700 - \$128,500	25%
\$131,450 - \$200,300	28%	\$128,500 - \$195,850	28%
\$200,300 - \$357,700	33%	\$195,850 - \$349,700	33%
\$357,700 +	35%	\$349,700 +	35%

Married Filing Separately

2008 Taxable Income	Tax Rate	2007 Taxable Income	Tax Rate
\$0 - \$8,025	10%	\$0 - \$7,825	10%
\$8,025 - \$32,550	15%	\$7,825 - \$31,850	15%
\$32,550 - \$65,725	25%	\$31,850 - \$64,250	25%
\$65,725 - \$100,150	28%	\$64,250 - \$97,925	28%
\$100,150 - \$178,850	33%	\$97,925 - \$174,850	33%
\$178,850 +	35%	\$174,850 +	35%

Single Filers

2008 Taxable Income	Tax Rate	2007 Taxable Income	Tax Rate
\$0 - \$8,025	10%	\$0 - \$7,825	10%
\$8,025 - \$32,550	15%	\$7,825 - \$31,850	15%
\$32,550 - \$78,850	25%	\$31,850 - \$77,100	25%
\$78,850 - \$164,550	28%	\$77,100 - \$160,850	28%
\$164,550 - \$357,700	33%	\$160,850 - \$349,700	33%
\$357,700 +	35%	\$349,700 +	35%

Head of Household

2008 Taxable Income	Tax Rate	2007 Taxable Income	Tax Rate
\$0 - \$11,450	10%	\$0 - \$11,200	10%
\$11,450 - \$43,650	15%	\$11,200 - \$42,650	15%
\$43,650 - \$112,650	25%	\$42,650 - \$110,100	25%
\$112,650 - \$182,400	28%	\$110,100 - \$178,350	28%
\$182,400 - \$357,700	33%	\$178,350 - \$349,700	33%
\$357,700 +	35%	\$349,700 +	35%