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2009 Key Numbers

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| Individual Income Tax Planning | 2008 | 2009 |
|---|---------------------|-----------|
| Adoption Credit | | |
| *Maximum credit | \$11,650 | \$12,150 |
| Phaseout threshold amount | \$174,730 | \$182,180 |
| Completed phaseout amount after | \$214,730 | \$222,180 |
| Alternative Minimum Tax (AMT) | | |
| *Maximum AMT exemption amount | | |
| Married filing jointly or surviving spouse | \$69,950 | \$70,950 |
| Single or head of household | \$46,200 | \$46,700 |
| Married filing separately | \$34,975 | \$35,475 |
| *AMT income exemption phaseout threshold | | |
| Married filing jointly or surviving spouse | \$150,000 | \$150,000 |
| Single or head of household | \$112,500 | \$112,500 |
| Married filing separately | \$75,000 | \$75,000 |
| Charitable deductions: | | |
| *Use of auto for charitable purposes (deductible standard mileage rate) | \$0.14 ¹ | \$0.14 |
| Charitable fundraising contributions "insubstantial benefit" limitations: | | |
| *Low-cost article (re: unrelated business income) | \$9.10 | \$9.50 |
| *Other insubstantial benefits (re: gifts to donor in return for contribution). Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum. | | |
| Token gift maximum cost | \$9.10 | \$9.50 |
| Minimum contribution amount | \$45.50 | \$47.50 |
| *Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution | | |
| Threshold amount | \$91 | \$95 |
| Child tax credit | | |
| *Maximum credit per qualifying child | \$1,000 | \$1,000 |
| *Phaseout-- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over: | | |
| Single | \$75,000 | \$75,000 |
| Married Filing Jointly | \$110,000 | \$110,000 |
| Married Filing Separately | \$55,000 | \$55,000 |
| *Refundability -- up to specified percentage of earned income in excess of specified amount | | |
| Percentage | 15% | 15% |
| Amount | \$8,500 | \$3,000 |

¹ As a result of the Emergency Economic Stabilization Act of 2008, for charitable use of a motor vehicle in providing relief to the Midwestern disaster area, the standard mileage rate was increased to \$.36 per mile for periods before July 1, 2008, and \$.41 per mile from July 1, 2008, to December 1, 2008.

| Individual Income Tax Planning | 2008 | 2009 |
|--|-------------|-------------|
| Classroom expenses of elementary and secondary school teachers (maximum above-the-line deduction) | \$250 | \$250 |
| Earned income tax credit (EITC): | | |
| *Excessive investment income limit ("disqualified income limit") | \$2,950 | \$3,100 |
| *Maximum amount of EITC per number of children | | |
| 0 children | \$438 | \$457 |
| 1 child | \$2,917 | \$3,043 |
| 2 children | \$4,824 | \$5,028 |
| 3 or more children | \$4,824 | \$5,657 |
| *Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received) | | |
| 0 children | \$5,720 | \$5,970 |
| 1 child | \$8,580 | \$8,950 |
| 2 or more children | \$12,060 | \$12,570 |
| *Threshold phaseout amount for joint filers per number of children | | |
| 0 children | \$10,160 | \$12,470 |
| 1 child | \$18,740 | \$21,420 |
| 2 children | \$18,740 | \$21,420 |
| 3 or more children | \$18,740 | \$21,420 |
| *Threshold phaseout amount for other filers per number of children | | |
| 0 children | \$7,160 | \$7,470 |
| 1 child | \$15,740 | \$16,420 |
| 2 children | \$15,740 | \$16,420 |
| 3 or more children | \$15,740 | \$16,420 |
| *Completed phaseout amount for joint filers per number of children | | |
| 0 children | \$15,880 | \$18,440 |
| 1 child | \$36,995 | \$40,463 |
| 2 children | \$41,646 | \$45,295 |
| 3 or more children | \$41,646 | \$48,279 |
| *Completed phaseout amount for other filers per number of children | | |
| 0 children | \$12,880 | \$13,440 |
| 1 child | \$33,995 | \$35,463 |
| 2 children | \$38,646 | \$40,295 |
| 3 or more children | \$38,646 | \$43,279 |
| Expatriation | | |
| *An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for purposes of IRC §877A(g)(1) | \$139,000 | \$145,000 |
| *IRC §877A(3) exclusion amount | \$600,000 | \$626,000 |
| Foreign earned income exclusion: | \$87,600 | \$91,400 |
| Itemized Deductions¹ | | |
| *Itemized deductions threshold phaseout amount for MFS: | \$79,975 | \$83,400 |
| *Itemized deductions threshold phaseout amount for all others: | \$159,950 | \$166,800 |

¹ The phaseout of itemized deductions for individuals with higher AGIs is itself being phased out. In 2008 and 2009, only 1/3 of the calculated reduction will be used to reduce allowable itemized deductions.

| Individual Income Tax Planning | 2008 | 2009 |
|---|---|---|
| Kiddie tax: | | |
| *Unearned income limit | | |
| Amount exempt from tax | \$900 | \$950 |
| Additional amount taxed at child's rate | \$900 | \$950 |
| Unearned income over this amount taxed at parent's rate | \$1,800 | \$1,900 |
| *Election to include child's income on parent's return--child's gross income requirement | \$900 - \$9,000 | \$950 - \$9,500 |
| *AMT exemption for child subject to kiddie tax: | Lesser of \$6,400 + child's earned income or \$46,200 | Lesser of \$6,700 + child's earned income or \$46,700 |
| Making Work Pay tax credit | | |
| *Maximum credit | | |
| Filing status other than married filing jointly | N/A | \$400 |
| Married filing joint | N/A | \$800 |
| *Income phaseout: Other than married filing jointly | | |
| Phaseout threshold amount | N/A | \$75,000 |
| Completed phaseout amount after | N/A | \$95,000 |
| *Income phaseout: Married filing jointly | | |
| Phaseout threshold amount | N/A | \$150,000 |
| Completed phaseout amount after | N/A | \$190,000 |
| Nanny tax (domestic employee coverage threshold) | \$1,600 | \$1,700 |
| Personal exemption amount: | \$3,500 | \$3,650 |
| *Personal exemption amount for taxpayers with AGI exceeding maximum phaseout threshold | \$2,333 | \$2,433 |
| *Married filing jointly | | |
| Phaseout threshold amount | \$239,950 | \$250,200 |
| Completed phaseout amount after | \$362,450 | \$372,700 |
| *Head of household | | |
| Phaseout threshold amount | \$199,950 | \$208,500 |
| Completed phaseout amount after | \$322,450 | \$331,000 |
| *Single | | |
| Phaseout threshold amount | \$159,950 | \$166,800 |
| Completed phaseout amount after | \$282,450 | \$289,300 |
| *Married filing separately | | |
| Phaseout threshold amount | \$119,975 | \$125,100 |
| Completed phaseout amount after | \$181,225 | \$186,350 |
| "Saver's Credit" (Elective Deferrals and IRA Contributions by Certain Individuals) | | |
| *Maximum credit amount | \$1,000 | \$1,000 |
| *Applicable percentage of 50% applies to AGI | | |
| Joint Return | \$0 - \$32,000 | \$0 - \$33,000 |
| Head of Household | \$0 - \$24,000 | \$0 - \$24,750 |
| Other | \$0 - \$16,000 | \$0 - \$16,500 |
| *Applicable percentage of 20% applies to AGI | | |
| Joint Return | \$32,000 - \$34,500 | \$33,000 - \$36,000 |
| Head of Household | \$24,000 - \$25,875 | \$24,750 - \$27,000 |
| Other | \$16,000 - \$17,250 | \$16,500 - \$18,000 |
| *Applicable percentage of 10% applies to AGI | | |
| Joint Return | \$34,500 - \$53,000 | \$36,000 - \$55,500 |
| Head of Household | \$25,875 - \$39,750 | \$27,000 - \$41,625 |
| Other | \$17,250 - \$26,500 | \$18,000 - \$27,750 |
| *Applicable percentage of 0% applies to AGI | | |
| Joint Return | Over \$53,000 | Over \$55,500 |
| Head of Household | Over \$39,750 | Over \$41,625 |
| Other | Over \$26,500 | Over \$27,750 |

| Individual Income Tax Planning | 2008 | 2009 |
|---|---|--|
| Standard deductions:¹ | | |
| *Married filing jointly or surviving spouse | \$10,900 | \$11,400 |
| *Head of household | \$8,000 | \$8,350 |
| *Single | \$5,450 | \$5,700 |
| *Married filing separately | \$5,450 | \$5,700 |
| *Dependent | Greater of \$900, or \$300 + earned income | Greater of \$950, or \$300 + earned income |
| *Additional deduction for aged or blind (single or head of household) | \$1,350 | \$1,400 |
| * Additional deduction for aged or blind (all other filing statuses) | \$1,050 | \$1,100 |
| * Additional standard deduction for state and local real property taxes (maximum additional deduction) ² | | |
| Married filing jointly | \$1,000 | \$1,000 |
| All other filing statuses | \$500 | \$500 |
| Standard mileage rates: | | |
| *Use of auto for business purposes (cents per mile) | \$0.505 for first half of 2008; \$0.585 for second half | \$0.55 |
| *Use of auto for medical purposes (cents per mile) | \$0.190 for first half of 2008; \$0.270 for second half | \$0.24 |
| *Use of auto for moving purposes (cents per mile) | \$0.190 for first half of 2008; \$0.270 for second half | \$0.24 |

¹ Qualifying individuals who do not itemize deductions are allowed to deduct state sales tax and excise tax attributable to the purchase of a qualified motor vehicle on or after 2/17/09 and before 1/1/10 as part of the standard deduction. A purchase price cap and a modified adjusted gross income phaseout apply.

² Housing Assistance Tax Act of 2008 and the Emergency Economic Stabilization Act of 2008

2008 Marginal Income Tax Rates

Unmarried taxpayers

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$8,025 | 10% of taxable income |
| Over \$8,025 to \$32,550 | \$802.50 + 15% of the excess over \$8,025 |
| Over \$32,550 to \$78,850 | \$4,481.25 + 25% of the excess over \$32,550 |
| Over \$78,850 to \$164,550 | \$16,056.25 + 28% of the excess over \$78,850 |
| Over \$164,550 to \$357,700 | \$40,052.25 + 33% of the excess over \$164,550 |
| Over \$357,700 | \$103,791.75 + 35% of the excess over \$357,700 |

Married filing jointly and surviving spouses

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$16,050 | 10% of taxable income |
| Over \$16,050 to \$65,100 | \$1,605 + 15% of the excess over \$16,050 |
| Over \$65,100 to \$131,450 | \$8,962.50 + 25% of the excess over \$65,100 |
| Over \$131,450 to \$200,300 | \$25,550 + 28% of the excess over \$131,450 |
| Over \$200,300 to \$357,700 | \$44,828 + 33% of the excess over \$200,300 |
| Over \$357,700 | \$96,770 + 35% of the excess over \$357,700 |

Married individuals filing separately

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$8,025 | 10% of taxable income |
| Over \$8,025 to \$32,550 | \$802.50 + 15% of the excess over \$8,025 |
| Over \$32,550 to \$65,725 | \$4,481.25 + 25% of the excess over \$32,550 |
| Over \$65,725 to \$100,150 | \$12,775 + 28% of the excess over \$65,725 |
| Over \$100,150 to \$178,850 | \$22,414 + 33% of the excess over \$100,150 |
| Over \$178,850 | \$48,385 + 35% of the excess over \$178,850 |

Heads of household

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$11,450 | 10% of taxable income |
| Over \$11,450 to \$43,650 | \$1,145 + 15% of the excess over \$11,450 |
| Over \$43,650 to \$112,650 | \$5,975 + 25% of the excess over \$43,650 |
| Over \$112,650 to \$182,400 | \$23,225 + 28% of the excess over \$112,650 |
| Over \$182,400 to \$357,700 | \$42,775 + 33% of the excess over \$182,400 |
| Over \$357,700 | \$100,604 + 35% of the excess over \$357,700 |

Trusts and estates

| If taxable income is: | Your tax is: |
|--------------------------|---|
| Not over \$2,200 | 15% of taxable income |
| Over \$2,200 to \$5,150 | \$330 + 25% of the excess over \$2,200 |
| Over \$5,150 to \$7,850 | \$1,067.50 + 28% of the excess over \$5,150 |
| Over \$7,850 to \$10,700 | \$1,823.50 + 33% of the excess over \$7,850 |
| Over \$10,700 | \$2,764 + 35% of the excess over \$10,700 |

2009 Marginal Income Tax Rates

Unmarried taxpayers

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$8,350 | 10% of taxable income |
| Over \$8,350 to \$33,950 | \$835 + 15% of the excess over \$8,350 |
| Over \$33,950 to \$82,250 | \$4,675 + 25% of the excess over \$33,950 |
| Over \$82,250 to \$171,550 | \$16,750 + 28% of the excess over \$82,250 |
| Over \$171,550 to \$372,950 | \$41,754 + 33% of the excess over \$171,550 |
| Over \$372,950 | \$108,216 + 35% of the excess over \$372,950 |

Married filing jointly and surviving spouses

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$16,700 | 10% of taxable income |
| Over \$16,700 to \$67,900 | \$1,670 + 15% of the excess over \$16,700 |
| Over \$67,900 to \$137,050 | \$9,350 + 25% of the excess over \$67,900 |
| Over \$137,050 to \$208,850 | \$26,637.50 + 28% of the excess over \$137,050 |
| Over \$208,850 to \$372,950 | \$46,741.50 + 33% of the excess over \$208,850 |
| Over \$372,950 | \$100,894.50 + 35% of the excess over \$372,950 |

Married individuals filing separately

| If taxable income is: | Your tax is: |
|-----------------------------|--|
| Not over \$8,350 | 10% of taxable income |
| Over \$8,350 to \$33,950 | \$835 + 15% of the excess over \$8,350 |
| Over \$33,950 to \$68,525 | \$4,675 + 25% of the excess over \$33,950 |
| Over \$68,525 to \$104,425 | \$13,318.75 + 28% of the excess over \$68,525 |
| Over \$104,425 to \$186,475 | \$23,370.75 + 33% of the excess over \$104,425 |
| Over \$186,475 | \$50,447.25 + 35% of the excess over \$186,475 |

Heads of household

| If taxable income is: | Your tax is: |
|-----------------------------|---|
| Not over \$11,950 | 10% of taxable income |
| Over \$11,950 to \$45,500 | \$1,195 + 15% of the excess over \$11,950 |
| Over \$45,500 to \$117,450 | \$6,227.50 + 25% of the excess over \$45,500 |
| Over \$117,450 to \$190,200 | \$24,215 + 28% of the excess over \$117,450 |
| Over \$190,200 to \$372,950 | \$44,585 + 33% of the excess over \$190,200 |
| Over \$372,950 | \$104,892.50 + 35% of the excess over \$372,950 |

Trusts and estates

| If taxable income is: | Your tax is: |
|--------------------------|---|
| Not over \$2,300 | 15% of taxable income |
| Over \$2,300 to \$5,350 | \$345 + 25% of the excess over \$2,300 |
| Over \$5,350 to \$8,200 | \$1,107.50 + 28% of the excess over \$5,350 |
| Over \$8,200 to \$11,150 | \$1,905.50 + 33% of the excess over \$8,200 |
| Over \$11,150 | \$2,879 + 35% of the excess over \$11,150 |

| Business Planning | 2008 | 2009 |
|---|--|--------------------|
| Adoption Assistance Programs | | |
| *Maximum amount that can be excluded from employee's gross income | \$11,650 | \$12,150 |
| Phaseout threshold amount | \$174,730 | \$182,180 |
| Completed phaseout amount after | \$214,730 | \$222,180 |
| Earnings subject to FICA taxes (taxable wage base): | | |
| *Maximum annual earnings subject to Social Security taxes | \$102,000 | \$106,800 |
| *Social Security and Medicare combined tax rate | 15.30% | 15.30% |
| OASDI portion (Social Security) | 12.40% | 12.40% |
| Hospital Insurance portion (Medicare) | 2.90% | 2.90% |
| Health insurance deduction for self-employed: | | |
| *Deduction for health insurance premiums paid by self-employed persons | 100% | 100% |
| Qualified transportation fringe benefits: | | |
| *Commuter vehicles and transit pass monthly exclusion amount | \$115 | \$230 ¹ |
| *Qualified parking monthly exclusion amount | \$220 | \$230 |
| *Qualified bicycle commuting reimbursement fringe benefit (monthly amount) | N/A | \$20 |
| Section 179 expensing | | |
| *Maximum amount that may be deducted under section 179 | \$250,000 | \$250,000 |
| *Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount | \$800,000 | \$800,000 |
| Special additional first-year depreciation allowance | | |
| "Bonus" depreciation for qualified property acquired and placed in service during specified time periods | 50% | 50% |
| Standard mileage rate (per mile): | | |
| *Use of auto for business purposes | \$0.505 for first half of 2008; \$0.585 for second half | \$0.55 |
| Tax on accumulated earnings and personal holding company income | | |
| *Maximum tax on these items (prior to the 2003 Tax Act, these items were taxed at the highest marginal personal income tax rate). | 15% | 15% |

¹ The monthly exclusion amount for January and February of 2009 was \$120

| Education Planning | 2008 | 2009 |
|---|-------------|-------------|
| Coverdell education savings accounts (formerly known as education IRAs): | | |
| *Annual contribution limit | \$2,000 | \$2,000 |
| *MAGI phaseout range for Coverdell education savings accounts | | |
| Single--phaseout threshold amount | \$95,000 | \$95,000 |
| Single--completed phaseout amount after | \$110,000 | \$110,000 |
| Married filing jointly--phaseout threshold amount | \$190,000 | \$190,000 |
| Married filing jointly--completed phaseout threshold amount | \$220,000 | \$220,000 |
| Deduction for qualified higher education expenses | | |
| *Maximum deduction | \$4,000 | \$4,000 |
| *MAGI maximum for full \$4,000 deduction | | |
| Single | \$65,000 | \$65,000 |
| Married filing jointly | \$130,000 | \$130,000 |
| *Reduced deduction available | | |
| | \$2,000 | \$2,000 |
| *MAGI range for \$2,000 deduction | | |
| Single--MAGI greater than this amount: | \$65,000 | \$65,000 |
| Single--MAGI does not exceed this amount: | \$80,000 | \$80,000 |
| Married filing jointly--MAGI greater than this amount: | \$130,000 | \$130,000 |
| Married filing jointly--MAGI does not exceed this amount: | \$160,000 | \$160,000 |
| Education loans--interest deduction | | |
| *Maximum deduction for interest paid on qualified education loans | \$2,500 | \$2,500 |
| *MAGI phaseout range | | |
| Single--phaseout threshold amount | \$55,000 | \$60,000 |
| Single--completed phaseout amount after | \$70,000 | \$75,000 |
| Married filing jointly--phaseout threshold amount | \$115,000 | \$120,000 |
| Married filing jointly--completed phaseout amount after | \$145,000 | \$150,000 |
| Gift tax exclusion | | |
| Annual gift tax exclusion-- <i>single individual</i> | \$12,000 | \$13,000 |
| Annual gift tax exclusion-- <i>joint gift</i> | \$24,000 | \$26,000 |
| Lump-sum gift to 529 plan-- <i>single individual</i> | \$60,000 | \$65,000 |
| Lump-sum gift to 529 plan-- <i>joint gift</i> | \$120,000 | \$130,000 |
| Kiddie tax | | |
| Generally, children ¹ pay federal income tax at their parents' rate on any investment income over... | \$1,800 | \$1,900 |
| U.S. savings bonds--interest exclusion for higher education expenses: | | |
| *Joint returns | | |
| Phaseout threshold for joint returns | \$100,650 | \$104,900 |
| Completed phaseout amount after | \$130,650 | \$134,900 |
| *Other returns | | |
| Phaseout threshold for other returns | \$67,100 | \$69,950 |
| Completed phaseout amount after | \$82,100 | \$84,950 |

¹ For tax years beginning after May 25, 2007, the kiddie tax rules apply to children under age 19 and full-time students over age 18 but under age 24 unless an exception applies.

| Education Planning | 2008 | 2009 |
|---|-------------|-------------|
| Hope¹ and Lifetime Learning credits | | |
| *Maximum Lifetime Learning credit | \$2,000 | \$2,000 |
| *Maximum Lifetime Learning credit--Midwestern disaster area | \$4,000 | \$4,000 |
| *Maximum Hope credit | \$1,800 | \$2,500 |
| *Maximum Hope credit--Midwestern disaster area | \$3,600 | \$3,600 |
| *MAGI phaseout range for Lifetime Learning credit | | |
| Single--phaseout threshold amount | \$48,000 | \$50,000 |
| Single--completed phaseout amount after | \$58,000 | \$60,000 |
| Married filing jointly--phaseout threshold amount | \$96,000 | \$100,000 |
| Married filing jointly--completed phaseout amount after | \$116,000 | \$120,000 |
| *MAGI phaseout range for Hope Credit | | |
| Single--phaseout threshold amount | \$48,000 | \$80,000 |
| Single--completed phaseout amount after | \$58,000 | \$90,000 |
| Married filing jointly--phaseout threshold amount | \$96,000 | \$160,000 |
| Married filing jointly--completed phaseout amount after | \$116,000 | \$180,000 |

¹ For 2009 and 2010, the American Recovery and Reinvestment Act of 2009 modifies the Hope credit and renames it the American Opportunity tax credit.

| Protection Planning | 2008 | 2009 |
|--|-------------|-------------|
| Eligible long-term care premium deduction limits: | | |
| *Age 40 or under | \$310 | \$320 |
| *Age 41-50 | \$580 | \$600 |
| *Age 51-60 | \$1,150 | \$1,190 |
| *Age 61-70 | \$3,080 | \$3,180 |
| *Over age 70 | \$3,850 | \$3,980 |
| Per diem limit: periodic payments for qualified long-term care insurance/ certain life insurance: | \$270 | \$280 |
| | | |
| Archer Medical Savings Accounts | | |
| *High deductible health plan--self-only coverage | | |
| Annual deductible--minimum | \$1,950 | \$2,000 |
| Annual deductible--maximum | \$2,900 | \$3,000 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$3,850 | \$4,000 |
| *High deductible health plan--family coverage | | |
| Annual deductible--minimum | \$3,850 | \$4,000 |
| Annual deductible--maximum | \$5,800 | \$6,050 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$7,050 | \$7,350 |
| | | |

| Protection Planning | 2008 | 2009 |
|--|-------------|-------------|
| Health Savings Accounts (HSAs) | | |
| *Annual contribution limit | | |
| Self-only coverage | \$2,900 | \$3,000 |
| Family coverage | \$5,800 | \$5,950 |
| *High deductible health plan--self-only coverage | | |
| Annual deductible--minimum | \$1,100 | \$1,150 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$5,600 | \$5,800 |
| *High deductible health plan--family coverage | | |
| Annual deductible--minimum | \$2,200 | \$2,300 |
| Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed | \$11,200 | \$11,600 |
| *Annual catch up contribution limit for individuals age 55 or older | \$900 | \$1,000 |

| Estate Planning | 2008 | 2009 |
|--|-------------|------------------|
| Annual gift exclusion: | \$12,000 | \$13,000 |
| Estate tax applicable exclusion amount: | \$2,000,000 | \$3,500,000 |
| Gift tax applicable exclusion amount: | \$1,000,000 | \$1,000,000 |
| Noncitizen spouse annual gift exclusion: | \$128,000 | \$133,000 |
| GSTT exemption: | \$2,000,000 | \$3,500,000 |
| Special use valuation limit (qualified real property in decedent's gross estate): | \$960,000 | \$1,000,000 |
| Qualified conservation easement exclusion: | | |
| *Dollar cap amount (exclusion of up to 40% of land value) | 500,000 | 500,000 |
| Qualified funeral trusts: | | |
| *Maximum contribution to a qualified funeral trust (aggregate contribution limit) | \$9,000 | N/A ¹ |

¹ Dollar limit repealed for tax years beginning after August 29, 2008.

2008 and 2009 Estate Tax Rate Schedule

| Taxable Estate | Tentative Tax Equals Base Tax of | Plus | Of Amount Over |
|---|---|-------------|-----------------------|
| 0 - \$10,000 | \$0 | 18% | \$0 |
| \$10,000 - \$20,000 | \$1,800 | 20% | \$10,000 |
| \$20,000 - \$40,000 | \$3,800 | 22% | \$20,000 |
| \$40,000 - \$60,000 | \$8,200 | 24% | \$40,000 |
| \$60,000 - \$80,000 | \$13,000 | 26% | \$60,000 |
| \$80,000 - \$100,000 | \$18,200 | 28% | \$80,000 |
| \$100,000 - \$150,000 | \$23,800 | 30% | \$100,000 |
| \$150,000 - \$250,000 | \$38,800 | 32% | \$150,000 |
| \$250,000 - \$500,000 | \$70,800 | 34% | \$250,000 |
| \$500,000 - \$750,000 | \$155,800 | 37% | \$500,000 |
| \$750,000 - \$1,000,000 | \$248,300 | 39% | \$750,000 |
| \$1,000,000 - \$1,250,000 | \$345,800 | 41% | \$1,000,000 |
| \$1,250,000 - \$1,500,000 | \$448,300 | 43% | \$1,250,000 |
| \$1,500,000----- | \$555,800 | 45% | \$1,500,000 |
| 2008 credit shelter amount \$2,000,000 | 2008 credit amount \$780,800 | | |
| 2009 credit shelter amount \$3,500,000 | 2009 credit amount \$1,455,800 | | |

| Government Benefits | 2008 | 2009 |
|---|------------------------|----------------------|
| Social Security | | |
| Social Security Cost-of-living adjustment (COLA) | | |
| * For Social Security and Supplemental Security Income (SSI) beneficiaries | 2.30% | 5.80% |
| Tax rate | | |
| * FICA tax -- Employee | 7.65% | 7.65% |
| Social Security (OASDI) portion of tax | 6.20% | 6.20% |
| Medicare (HI) portion of tax | 1.45% | 1.45% |
| * Self-Employed | 15.30% | 15.30% |
| Social Security (OASDI) portion of tax | 12.40% | 12.40% |
| Medicare (HI) portion of tax | 2.90% | 2.90% |
| Maximum taxable earnings | | |
| * Social Security (OASDI only) | \$102,000 | \$106,800 |
| * Medicare (HI only) | No limit | No limit |
| Quarter of coverage | | |
| * Earnings required | \$1,050 | \$1,090 |
| Full retirement age ¹ | 65 years, 10 months | Age 66 |
| Retirement earnings test--exempt amounts | | |
| * Under full retirement age | | |
| Benefits reduced by \$1 for each \$2 earned above: | | |
| Yearly figure | \$13,560 | \$14,160 |
| Monthly figure | \$1,130 | \$1,180 |
| * Year individual reaches full retirement age | | |
| Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age): | | |
| Yearly figure | \$36,120 | \$37,680 |
| Monthly figure | \$3,010 | \$3,140 |
| * Beginning the month individual attains full retirement age | No limit on earnings | No limit on earnings |
| Social Security disability thresholds | | |
| * Substantial gainful activity (SGA): for the sighted (monthly figure) | \$940 | \$980 |
| * Substantial gainful activity: for the blind (monthly figure) | \$1,570 | \$1,640 |
| * Trial work period (TWP) (monthly figure) | \$670 | \$700 |

¹ Full retirement age is 65 for those born in 1937 or earlier, 65 and 2 months for those born in 1938, 65 and 4 months for those born in 1939, 65 and 6 months for those born in 1940, 65 and 8 months for those born in 1941, 65 and 10 months for those born in 1942, and age 66 for those born 1943 through 1954.

| Government Benefits | 2008 | 2009 |
|--|------------------------|------------------------|
| SSI federal payment standard | | |
| * Individual (monthly figure) | \$637 | \$674 |
| * Couple (monthly figure) | \$956 | \$1,011 |
| | | |
| SSI resource limits | | |
| * Individual | \$2,000 | \$2,000 |
| * Couple | \$3,000 | \$3,000 |
| | | |
| SSI student exclusion limits | | |
| * Monthly limit | \$1,550 | \$1,640 |
| * Annual limit | \$6,240 | \$6,600 |
| | | |
| Maximum Social Security benefit | | |
| * Worker retiring at full retirement age (monthly figure) | \$2,185 | \$2,323 |
| | | |
| Estimated average monthly Social Security benefits payable to: | After 2.3% COLA | After 5.8% COLA |
| * All retired workers | \$1,079 | \$1,153 |
| * Aged couple, both receiving benefits | \$1,761 | \$1,876 |
| * Widowed mother and two children | \$2,243 | \$2,399 |
| * Aged widow(er) alone | \$1,041 | \$1,112 |
| * Disabled worker, spouse, and one or more children | \$1,690 | \$1,793 |
| * All disabled workers | \$1,004 | \$1,064 |
| | | |
| Formula for Monthly Primary Insurance Amount (PIA) (90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y) | X=\$711 Y=\$4,288 | X=\$744 Y=\$4,483 |
| | | |
| Medicare | | |
| | | |
| Medicare monthly premium amounts | | |
| * Part A (hospital insurance) premium | | |
| Individuals with 40 or more quarters of Medicare-covered employment | \$0 | \$0 |
| Individuals with 30 to 39 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance | \$233 | \$244 |
| Individuals with less than 30 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance | \$423 | \$443 |

| Government Benefits | 2008 | 2009 | |
|---|---------------------------------|-------------|----------|
| * Part B (medical insurance) standard premium per month | \$96.40 | \$96.40 | |
| Total monthly premium amounts for high income individuals (married individuals filing jointly) | | | |
| 2008 | 2009 | | |
| Less than or equal to \$164,000 | Less than or equal to \$170,000 | \$96.40 | \$96.40 |
| \$164,000.01 - \$204,000 | \$170,000.01 - \$214,000 | \$122.20 | \$134.90 |
| \$204,000.01 - \$306,000 | \$214,000.01 - \$320,000 | \$160.90 | \$192.70 |
| \$306,000.01 - \$410,000 | \$320,000.01 - \$426,000 | \$199.70 | \$250.50 |
| Greater than \$410,000 | Greater than \$426,000 | \$238.40 | \$308.30 |
| Total monthly premium amounts for high income individuals (individual filers) | | | |
| 2008 | 2009 | | |
| Less than or equal to \$82,000 | Less than or equal to \$85,000 | \$96.40 | \$96.40 |
| \$82,000.01 - \$102,000 | \$85,000.01 - \$107,000 | \$122.20 | \$134.90 |
| \$102,000.01 - \$153,000 | \$107,000.01 - \$160,000 | \$160.90 | \$192.70 |
| \$153,000.01 - \$205,000 | \$160,000.01 - \$213,000 | \$199.70 | \$250.50 |
| Greater than \$205,000 | Greater than \$213,000 | \$238.40 | \$308.30 |
| Total monthly premium amounts for high income individuals (married individuals filing separate returns who lived with their spouse at some time during the taxable year) | | | |
| 2008 | 2009 | | |
| Less than or equal to \$82,000 | Less than or equal to \$85,000 | \$96.40 | \$96.40 |
| \$82,000.01 - \$123,000 | \$85,000.01 - \$128,000 | \$199.70 | \$250.50 |
| Greater than \$123,000 | Greater than \$128,000 | \$238.40 | \$308.30 |
| | | | |
| Original Medicare plan deductible and coinsurance amounts | | | |
| * Part A (hospital insurance) | | | |
| Deductible per benefit period | \$1,024 | \$1,068 | |
| Coinsurance per day for 61st to 90th day of each benefit period | \$256 | \$267 | |
| Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable) | \$512 | \$534 | |
| * Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period | \$128.00 | \$133.50 | |
| * Part B (medical insurance) annual deductible | | | |
| Individual pays 20 percent of the Medicare-approved amount for services after deductible is met | \$135 | \$135 | |
| Medicaid | | | |
| | | | |
| Monthly income threshold for income-cap states ("300 percent cap limit") | \$1,911 | \$2,022 | |
| | | | |
| Monthly maintenance needs allowance for at-home spouse | | | |
| *Minimum ¹ | \$1,711.00 | \$1,750.00 | |
| *Maximum | \$2,610.00 | \$2,739.00 | |
| | | | |
| Spousal resource allowance | | | |
| *Minimum | \$20,880 | \$21,912 | |
| *Maximum | \$104,400 | \$109,560 | |

¹ Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

| Retirement Planning | 2008 | 2009 |
|---|---|---|
| Employee/individual contribution limits | | |
| Elective deferral limits | | |
| * 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ¹ (Includes Roth 401(k) and Roth 403(b) contributions) | Lesser of \$15,500 or 100% of participant's compensation | Lesser of \$16,500 or 100% of participant's compensation |
| * SIMPLE 401(k) plans and SIMPLE IRA plans ¹ | Lesser of \$10,500 or 100% of participant's compensation | Lesser of \$11,500 or 100% of participant's compensation |
| IRA contribution limits | | |
| *Traditional IRAs | Lesser of \$5,000 or 100% of earned income | Lesser of \$5,000 or 100% of earned income |
| *Roth IRAs | Lesser of \$5,000 or 100% of earned income | Lesser of \$5,000 or 100% of earned income |
| Additional "catch-up" limits (individuals age 50 or older) | | |
| * 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs ² | \$5,000 | \$5,500 |
| * SIMPLE 401(k) plans and SIMPLE IRA plans | \$2,500 | \$2,500 |
| * IRAs (traditional and Roth) | \$1,000 | \$1,000 |
| Employer contribution/benefit limits³ | | |
| Defined benefit plan limits | | |
| *Annual contribution limit per participant | No predetermined limit. Contributions based on amount needed to fund promised benefits | No predetermined limit. Contributions based on amount needed to fund promised benefits |
| *Annual benefit limit per participant | Lesser of \$185,000 or 100% of average compensation for highest three consecutive years | Lesser of \$195,000 or 100% of average compensation for highest three consecutive years |

¹ Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

² Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

³ For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

| Retirement Planning | 2008 | 2009 |
|---|---|---|
| Defined contribution plan limits (qualified plans, 403(b) plans, SEP, and SIMPLE plans) | | |
| *Annual addition limit per participant (employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures) (does not apply to SIMPLE IRA plans) | Lesser of \$46,000 or 100% (25% for SEP) of participant's compensation | Lesser of \$49,000 or 100% (25% for SEP) of participant's compensation |
| *Maximum tax-deductible employer contribution (not applicable to 403(b) plans) | 25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans | 25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pretax and Roth contributions; 100% for SIMPLE plans |
| Compensation limits/thresholds | | |
| Retirement plan compensation limits | | |
| *Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs) | \$230,000 | \$245,000 |
| *Compensation threshold used to determine a highly-compensated employee | \$105,000 (when 2008 is the look-back year) | \$110,000 (when 2009 is the look-back year) |
| *Compensation threshold used to determine a key employee in a top-heavy plan | \$1 for more-than-5% owners \$150,000 for officers \$150,000 for more-than-1% owners | \$1 for more-than-5% owners \$160,000 for officers \$150,000 for more-than-1% owners |
| *Compensation threshold used to determine a qualifying employee under a SIMPLE plan | \$5,000 | \$5,000 |
| *Compensation threshold used to determine a qualifying employee under a SEP plan | \$500 | \$550 |
| Traditional deductible IRA income limits | | |
| *Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers: | | |
| 1. Covered by an employer-sponsored plan and filing as: | | |
| Single | \$53,000-\$63,000 | \$55,000-\$65,000 |
| Married filing jointly | \$85,000-\$105,000 | \$89,000-\$109,000 |
| Married filing separately | \$0-\$10,000 | \$0-\$10,000 |
| 2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by an employer-sponsored retirement plan | \$159,000-\$169,000 | \$166,000-\$176,000 |
| Roth IRA income limits | | |
| *Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as: | | |
| Single | \$101,000-\$116,000 | \$105,000-\$120,000 |
| Married filing jointly | \$159,000-\$169,000 | \$166,000-\$176,000 |
| Married filing separately | \$0-\$10,000 | \$0-\$10,000 |
| *Annual income limit for determining ability to convert traditional IRA to Roth IRA | \$100,000 | \$100,000 |

| Investment Planning | 2008 | 2009 |
|---|-------------|-------------|
| Tax on long-term capital gains | | |
| Taxpayers in marginal tax brackets greater than 15% | 15% | 15% |
| Taxpayers in marginal tax brackets 15% or less | 0% | 0% |
| Tax on dividends | | |
| *Maximum tax rate on dividends received by an individual shareholder from domestic and qualified foreign corporations | | |
| Taxpayers in marginal tax brackets greater than 15% | 15% | 15% |
| Taxpayers in marginal tax brackets 15% or less | 0% | 0% |
| (Prior to 2003 Tax Act, dividends were taxed as ordinary income) | | |

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