

TAX UPDATES

INDIVIDUALS

Standard Deductions	<u>2011</u>	<u>2012</u>
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		
Single & HOH	1,450	1,450
Married	1,150	1,150
Claimed as dependent on another: (greater of earned income or earned income+)	950	950
Personal Exemptions		
Deduction for each	3,700	3,800

In 2011 individual taxpayers will be entitled to the full personal exemption amount regardless of the amount of their AGI. This is set to expire in 2012

2010 Child Credit of \$1,000 per Child under Age 17

Phased out when AGI reached \$110,000 joint filers, \$75,000 single filers.

This credit is set to be reduced to \$500 for tax years after 2012

Kiddie tax applies to unearned income in excess of \$1,900 for 2011. Applies to children under 18 (previously under 14) and a child age 18 but under the age of 24 and a full time student.

Estimated Tax Payments

To avoid possible underpayment penalties, you are generally required to pay in through withholding or estimated tax payments the lesser of:

1. 100% of prior year tax liability or
2. 90% of current year tax liability

2011 taxpayers with 2010 AGI greater than \$150,000 (\$75,000 for married filing separate) must pay the lesser of:

1. 110% of prior year tax liability, or
2. 90% of current year tax liability

2010 estimated tax payments for individuals are due by:

April 15, 2011 September 15, 2011
June 15, 2011 January 15, 2012

2010 Alternative Minimum Tax (AMT)

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

AMT exemption Amount (phased out for upper bracket taxpayers)

	2011	Phase Out
Single	\$48,450	\$112,500
Head of household	48,450	112,500
Married filing jointly	74,450	150,000
Married filing separately	37,225	75,000

2011 Long-Term Capital Gains

	Asset Held	Taxpayer's Ordinary Rate	
		10-15%	25-35%
Long-term Capital gains	12 months	0%	15%
Short-term Capital Gains	Under 12 months	10-15%	25-35%

2011 Qualified Dividends

	Tax Rate
Taxpayers in 10 -15 % brackets	0%
Taxpayers in higher brackets	15%

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:

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

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

SE Health Insurance Deductions

100%

Standard Mileage Deductions

Use	2011	
Business	\$.51/mile from 1/1-6/30	\$.55 after 6/30/2011
Charitable	\$.14	
Medical	\$.19 /mile from 1/1/-6/30	.235 after 6/30/2011
Moving	#.19 /mile from 1/1/-6/30	.235 after 6/30/2011