

2008 Tax Facts At-A-Glance

Income Taxes

2007

If taxable income is:

Over	But Not Over	The Tax Is	Of The Amount Over
Married Filing Jointly:			
\$ 0	\$ 15,650	\$ 0 + 10%	\$ 0
15,650	63,700	1,565 + 15%	15,650
63,700	128,500	8,773 + 25%	63,700
128,500	195,850	24,973 + 28%	128,500
195,850	349,700	43,831 + 33%	195,850
349,700	And Over	94,601 + 35%	349,700
Single:			
\$ 0	\$ 7,825	\$ 0 + 10%	\$ 0
7,825	31,850	788 + 15%	7,825
31,850	77,100	4,386 + 25%	31,850
77,100	160,850	15,699 + 28%	77,100
160,850	349,700	39,149 + 33%	160,850
349,700	And Over	101,469 + 35%	349,700

Estates and Trusts:

Over	But Not Over	The Tax Is	Of The Amount Over
\$ 0	\$ 2,150	\$ 0 + 15%	\$ 0
2,150	5,000	323 + 25%	2,150
5,000	7,650	1,035 + 28%	5,000
7,650	10,450	1,777 + 33%	7,650
10,450	And Over	2,701 + 35%	10,450

Standard Deductions

	2007	2008
Married Filing Jointly	\$ 10,700	\$ 10,900
Head of Household	7,850	8,000
Single	5,350	5,450
Additional (Age 65/older, or blind):		
Married	1,050	1,050
Unmarried and not surviving spouse	1,300	1,350
AGI itemized deduction phase-out:		
Married Filing Separately	78,200	79,975
All Others	156,400	159,950

Personal Exemptions

	2007	2008
Personal exemption	\$3,400	\$3,500
Phase-out range:		
Single	\$156,400 – \$278,900	\$159,950 – \$282,450
Head of Household	195,500 – 318,800	199,950 – 322,450
Married Filing Jointly	234,600 – 357,100	239,950 – 362,450
Married Filing Separately	117,300 – 178,550	119,975 – 181,225

Kiddie Tax (under age 18 with unearned income)

	2007	2008
First (No Tax)	\$ 850	\$ 900
Next (Child's Rate)	850	900
Amounts over (Parents' Rate)	1,700	1,800

2008

If taxable income is:

Over	But Not Over	The Tax Is	Of The Amount Over
Married Filing Jointly:			
\$ 0	\$ 16,050	\$ 0 + 10%	\$ 0
16,050	65,100	1,605 + 15%	16,050
65,100	131,450	8,962.50 + 25%	65,100
131,450	200,300	25,550 + 28%	131,450
200,300	357,700	44,828 + 33%	200,300
357,700	And Over	96,770 + 35%	357,700
Single:			
\$ 0	\$ 8,025	\$ 0 + 10%	\$ 0
8,025	32,550	802.50 + 15%	8,025
32,550	78,850	4,481.25 + 25%	32,550
78,850	164,550	16,056.25 + 28%	78,850
164,550	357,700	40,052.25 + 33%	164,550
357,700	And Over	103,791.75 + 35%	357,700

Estates and Trusts:

Over	But Not Over	The Tax Is	Of The Amount Over
\$ 0	\$ 2,200	\$ 0 + 15%	\$ 0
2,200	5,150	330 + 25%	2,200
5,150	7,850	1,067.50 + 28%	5,150
7,850	10,700	1,823.50 + 33%	7,850
10,700	And Over	2,764 + 35%	10,700

Education Incentives

	2007	2008
Hope Credit	\$1,650	\$1,650
Lifetime Learning Credit	2,000	2,000
Phase-outs for HOPE & Lifetime Learning Credits:		
Married Filing Jointly	\$94,000 – \$114,000	\$96,000 – \$116,000
Others	47,000 – 57,000	48,000 – 58,000
Phase-outs for exclusion of U.S. savings bond income:		
Married Filing Jointly	\$98,400 – \$128,400	\$100,650 – \$130,650
Others	65,600 – 80,600	67,100 – 82,100

Capital Gains Tax

	2007	2008
Rates on dividends and gains for assets held at least 12 months:		
15% income tax bracket or below		0%
25% income tax bracket or above		15%

Coverdell Education Savings Accounts (formerly Education IRAs)

	2007	2008
Maximum contributions of \$2,000 phase-out range:		
Married Filing Jointly	\$190,000 – \$220,000	\$190,000 – \$220,000
Single	95,000 – 110,000	95,000 – 110,000

Corporations (for all tax years since 1993)

If taxable income is:

Over	But Not Over	The Tax Is	Of The Amount Over
\$ 0	\$ 50,000	\$ 0 + 15%	\$ 0
50,000	75,000	7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	10,000,000	113,900 + 34%	335,000
10,000,000	15,000,000	3,400,000 + 35%	10,000,000
15,000,000	18,333,333	5,150,000 + 38%	15,000,000
18,333,333	And Over	6,416,667 + 35%	18,333,333

2008 Tax Facts At-A-Glance

Estate & Gift Taxes

Estate & Gift Taxes

Subtract applicable credit (below) from calculated tax.
If taxable estate is:

Over	But Not Over	The Tax Is	Of The Amount Over
Married Filing Jointly:			
\$ 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	2,000,000	555,800 + 45%	1,500,000
2,000,000	And Over	780,800 + 45%	2,000,000

Scheduled Estate Tax Changes

Year	Top Estate Tax Rate	Estate Tax Exemption	Applicable Credit
2002	50%	\$ 1 million	\$ 345,800
2003	49%	1 million	345,800
2004	48%	1.5 million	555,800
2005	47%	1.5 million	555,800
2006	46%	2 million	780,800
2007	45%	2 million	780,800
2008	45%	2 million	780,800
2009	45%	3.5 million	1,455,800
2010	Repealed	N/A	N/A
2011	55%	1 million	345,800

Annual Gift Tax Exclusion: Individual donor may gift \$12,000 per donee

Gift Tax Exemption: \$1,000,000

Generation-Skipping Transfer Tax Exemption: \$2,000,000

Qualified Plans

	2007	2008
IRA maximum contribution limit	\$ 4,000	\$ 5,000
IRA Age 50+ catch-up contribution	1,000	1,000
SEP plan participant maximum percentage of compensation	25%	25%
SEP plan participant maximum dollar allocation limit	45,000	46,000
SEP minimum compensation amount	500	500
SIMPLE IRA employee contribution	10,500	10,500
SIMPLE IRA catch-up—Age 50 or older	2,500	2,500
Maximum elective deferral to SIMPLE plan	10,500	10,500
403(b) TSA elective employee deferral	15,500	15,500
403(b) TSA catch-up—Age 50 or older	5,000	5,000
403(b) TSA catch-up—15 or more years of service with current employer	3,000	3,000
Defined contribution maximum employer percentage deduction limit (of eligible payroll)	25%	25%
Defined contribution plan annual addition limit	45,000	46,000
Maximum elective deferral to retirement plans [e.g., 401(k), 403(b) & 457]	15,500	15,500
401(k) Age 50+ catch-up contribution	5,000	5,000
Annual includable compensation limit	225,000	230,000
Highly compensated employee compensation limit	100,000	105,000
Annual retirement benefit limit under defined benefit plan (not to exceed 100% of compensation)	180,000	185,000

Required Minimum Distributions

Age	Factor	Age	Factor	Age	Factor
70	27.4	81	17.9	92	10.2
71	26.5	82	17.1	93	9.6
72	25.6	83	16.3	94	9.1
73	24.7	84	15.5	95	8.6
74	23.8	85	14.8	96	8.1
75	22.9	86	14.1	97	7.6
76	22.0	87	13.4	98	7.1
77	21.2	88	12.7	99	6.7
78	20.3	89	12.0	100	6.3
79	19.5	90	11.4	101	5.9
80	18.7	91	10.8		

IRAs

	2007	2008
Phase-out range for deductible contributions to traditional IRAs		
Married Filing Jointly		
Both spouses as participants in Qualified Plan	\$ 83,000 – \$ 103,000	\$ 85,000–\$105,000
One spouse as participant in Qualified Plan	156,000– 166,000	159,000– 169,000
Single/Head of Household	52,000 – 62,000	53,000– 63,000
Phase-out range for contributions to Roth IRAs		
Married Filing Jointly	\$156,000– \$166,000	\$159,000–\$169,000
Single/Head of Household	99,000 – 114,000	101,000– 116,000

Social Security Benefits Subject to Income Tax 2008

Base amount of modified AGI causing Social Security benefits to be taxable	Up to 50% taxable	Up to 85% taxable
Married Filing Jointly	\$32,000 – \$44,000	\$44,001+
Single	25,000 – 34,000	34,001+

Social Security 2007 2008

Full retirement age 65 yrs–10 mos (born in 1942) 66 yrs (born in 1942)

Portion of benefit paid at age 62 75.8% 75%

Maximum earnings before Social Security benefits are reduced

Before full retirement age (lose \$1 for every \$2 of earnings) \$12,960 \$13,560

Year of full retirement age \$34,440 \$36,120

After full retirement No limit No limit

Maximum compensation subject to FICA taxes

OASDI (Social Security) maximum \$97,500 \$102,000

HI (Medicare) maximum No limit No limit

OASDI tax rate 12.4% self employed 6.2% employees

HI tax rate 2.9% self-employed 1.45% employees

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