

## Concannon Wealth Management

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# Income Tax Key Numbers



### Long-Term Capital Gains and Qualifying Dividends

*Long-term capital gains and qualifying dividends continue to be taxed at a maximum rate of 15%. If you're in the 10% or 15% marginal income tax brackets, a special 0% rate will generally continue to apply.*

### Qualified Charitable Distributions

*An IRA holder age 70½ or older is able to exclude from gross income up to \$100,000 in otherwise taxable distributions made from his or her IRA directly to a qualified charity.*

Exemptions	2010	2011
Personal and Dependency Exemption Amount	\$3,650	\$3,700

Standard Deduction	2010	2011
Married Filing Jointly (MFJ)	\$11,400	\$11,600
Head of Household	\$8,400	\$8,500
Single	\$5,700	\$5,800
Married Filing Separately	\$5,700	\$5,800
Dependent	Greater of \$950 or \$300 + earned income	Greater of \$950 or \$300 + earned income
Additional Deduction for Aged or Blind (Single or Head of Household)	\$1,400	\$1,450
Additional Deduction for Aged or Blind (all other filing statuses)	\$1,100	\$1,150

Tax Credits	2010	2011
Adoption Credit	\$13,170 max (phased out for AGIs \$182,520 to \$222,520)	\$13,360 max (phased out for AGIs \$185,210 to \$225,210)
Child Tax Credit	\$1,000 max; phaseout begins at AGI of \$75,000 (Single) \$110,000 (MFJ) \$55,000 (MFS); refundable up to 15% of earnings over \$3,000	\$1,000 max; phaseout begins at AGI of \$75,000 (Single) \$110,000 (MFJ) \$55,000 (MFS); refundable up to 15% of earnings over \$3,000
Lifetime Learning Tax Credit	\$2,000 max; phaseout range: \$50,000 to \$60,000 (Single) \$100,000 to \$120,000 (MFJ)	\$2,000 max; phaseout range: \$51,000 to \$61,000 (Single) \$102,000 to \$122,000 (MFJ)
American Opportunity (Hope) Tax Credit	\$2,500 max; phaseout range: \$80,000 to \$90,000 (Single) \$160,000 to \$180,000 (MFJ)	\$2,500 max; phaseout range: \$80,000 to \$90,000 (Single) \$160,000 to \$180,000 (MFJ)
Making Work Pay Tax Credit	Maximum credit \$400 (\$800 if MFJ); phaseout range: \$150,000 to \$190,000 (MFJ) \$75,000 to \$95,000 (all others)	Credit does not apply, but related benefit provided by one-year 2% reduction in employee Social Security payroll tax

**Still Available / In Effect**

- *Itemized deductions and personal and dependency exemptions for higher-income individuals are not reduced*
- *State and local sales tax can continue to be claimed in lieu of state and local income tax by individuals who itemize deductions on Form 1040, Schedule A*
- *Mortgage insurance premiums remain deductible as qualified residence interest, subject to adjusted gross income limitations*

Deductions	2010	2011
Classroom Expenses of School Teachers (above-the-line)	\$250	\$250
Deduction for Qualified Higher Education Expenses	\$4,000 max deduction/\$2,000 reduced deduction; phaseout range: \$65,000 to \$80,000 (Single) \$130,000 to \$160,000 (MFJ)	\$4,000 max deduction/\$2,000 reduced deduction; phaseout range: \$65,000 to \$80,000 (Single) \$130,000 to \$160,000 (MFJ)
Education Loans Interest Deduction	\$2,500 max deduction; phaseout range: \$60,000 to \$75,000 (Single), \$120,000 to \$150,000 (MFJ)	\$2,500 max deduction; phaseout range: \$60,000 to \$75,000 (Single), \$120,000 to \$150,000 (MFJ)
Standard Mileage Rates	Business - \$0.50 Medical - \$0.165 Moving - \$0.165 Charitable - \$0.14	Business - \$0.51 Medical - \$0.19 Moving - \$0.19 Charitable - \$0.14

Alternative Minimum Tax (AMT)	2010	2011
Maximum AMT Exemption Amount	\$72,450 (MFJ) \$47,450 (Single) \$36,225 (MFS)	\$74,450 (MFJ) \$48,450 (Single) \$37,225 (MFS)
AMT Exemption Phaseout Threshold	\$150,000 (MFJ) \$112,500 (Single) \$75,000 (MFS)	\$150,000 (MFJ) \$112,500 (Single) \$75,000 (MFS)

Kiddie Tax Rules	2010	2011
Amount Exempt from Tax	\$950	\$950
Additional Amount Taxed at Child's Rate	\$950	\$950
Unearned Income Over This Amount Taxed at Parent's Rate	\$1,900	\$1,900
Election to Include Child's Income on Parent's Return (Child's Gross Income Requirement)	\$950 to \$9,500	\$950 to \$9,500
AMT Exemption for Child Subject to Kiddie Tax	Lesser of \$6,700 + child's earned income or \$47,450	Lesser of \$6,800 + child's earned income or \$48,450

Top Tax Brackets	2010	2011
Single	35% of taxable income exceeding \$373,650 + \$108,421.25	35% of taxable income exceeding \$379,150 + \$110,016.50
MFJ	35% of taxable income exceeding \$373,650 + \$101,085.50	35% of taxable income exceeding \$379,150 + \$102,574
MFS	35% of taxable income exceeding \$186,825 + \$50,542.75	35% of taxable income exceeding \$189,575 + \$51,287
HOH	35% of taxable income exceeding \$373,650 + \$105,095	35% of taxable income exceeding \$379,150 + \$106,637.50

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