

Journal of Accountancy

Filing Season Quick Guide—Tax Year 2011

2011 Tax Rate Tables

Single Taxpayers

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$8,500	10%		\$0
\$8,500	\$34,500	\$850	15%	\$8,500
\$34,500	\$83,600	\$4,750	25%	\$34,500
\$83,600	\$174,400	\$17,025	28%	\$83,600
\$174,400	\$379,150	\$42,449	33%	\$174,400
\$379,150		\$110,016.50	35%	\$379,150

Married Taxpayers Filing Joint Returns and Surviving Spouses

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$17,000	10%		\$0
\$17,000	\$69,000	\$1,700	15%	\$17,000
\$69,000	\$139,350	\$9,500	25%	\$69,000
\$139,350	\$212,300	\$27,087.50	28%	\$139,350
\$212,300	\$379,150	\$47,513.50	33%	\$212,300
\$379,150		\$102,574	35%	\$379,150

Married Taxpayers Filing Separate Returns

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$8,500	10%		\$0
\$8,500	\$34,500	\$850	15%	\$8,500
\$34,500	\$69,675	\$4,750	25%	\$34,500
\$69,675	\$106,150	\$13,543.75	28%	\$69,675
\$106,150	\$189,575	\$23,756.75	33%	\$106,150
\$189,575		\$51,287	35%	\$189,575

Heads of Household

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$12,150	10%		\$0
\$12,150	\$46,250	\$1,215	15%	\$12,150
\$46,250	\$119,400	\$6,330	25%	\$46,250
\$119,400	\$193,350	\$24,617.50	28%	\$119,400
\$193,350	\$379,150	\$45,323.50	33%	\$193,350
\$379,150		\$106,637.50	35%	\$379,150

Trusts and Estates

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$2,300	15%		\$0
\$2,300	\$5,450	\$345	25%	\$2,300
\$5,450	\$8,300	\$1,132.50	28%	\$5,450
\$8,300	\$11,350	\$1,930.50	33%	\$8,300
\$11,350		\$2,937	35%	\$11,350

Gains Rates

- Long-term capital gains: Zero for individual taxpayers in 10% and 15% ordinary income brackets; for other individuals, 15%.
- Unrecaptured Sec. 1250 gain: 25% maximum.
- Collectibles: 28%.

Self-Employment

- Tax rate: 13.3% (10.4% OASDI tax plus 2.9% Medicare tax).
- Wage base: \$106,800 of self-employment income for OASDI tax (maximum tax \$11,107.20; no ceiling on Medicare tax).
- Cost of health insurance no longer deductible for self-employment tax in 2011.

Kiddie Tax

- Parent's highest rate applies to child's unearned income over \$1,900.

Personal Exemption

- Individuals: \$3,700.
- Estates: \$600.
- Trusts: \$300 if must distribute all income currently; \$100 for all other trusts.

Standard Deduction

- Single: \$5,800.
- Joint filers and surviving spouses: \$11,600.
- Married filing separately: \$5,800 (\$0 if one spouse itemizes).
- Heads of household: \$8,500.
- ▶ Additional standard deduction for 65+ and blind taxpayers:
 - Single: \$1,450.
 - Married filers and surviving spouses: \$1,150.
 - Heads of household: \$1,450.
- Standard deduction for individuals who can be claimed as dependents cannot exceed lesser of (a) \$5,800, or (b) greater of \$950 or \$300 plus individual's earned income.

Standard Mileage Rates

Use	Cents/mile, Jan. 1–June 30	Cents/mile, July 1–Dec. 31
Business	51	55.5
Medical and Moving	19	23.5

- Charitable services: 14¢ per mile (entire year).
- For business autos for which the optional business standard mileage rate is used, depreciation is considered to have been allowed at 22¢ per mile.

Credits

- **Earned income:** 45% (for families with three or more qualifying children); advance payment not available after 2010.
- **Child:** \$1,000 per qualifying child under 17. Refundable up to 15% of the taxpayer's earned income in excess of \$3,000; qualifying child must be the taxpayer's dependent. Phases out starting with modified AGI above \$75,000 (\$110,000 for joint filers, \$55,000 for married filing separately).
- **Making work pay:** Not available after 2010.
- **Adoption expense:** \$13,360 maximum.
- **Child and dependent care:** 35% of employment-related expenses (up to \$3,000 in expenses for one qualifying individual or \$6,000 for two or more qualifying individuals); credit decreases by 1% for each \$2,000 of AGI over \$15,000, down to 20%.
- **American opportunity:** \$2,500 per year (100% of the first \$2,000 of qualifying expenses and 25% of the next \$2,000), with 40% of the credit refundable. Phases out for taxpayers with modified AGIs between \$80,000 and \$90,000 (\$160,000 and \$180,000 for married taxpayers filing jointly).
- **Lifetime learning:** 20% of up to \$10,000 of qualified tuition and related expenses. Phases out for taxpayers with modified AGIs between \$51,000 and \$61,000 (\$102,000 and \$122,000 for married taxpayers filing jointly).
- **Sec. 25C nonbusiness energy property:** 10% of sum of qualified energy-efficiency improvements and residential energy property expenditures, with lifetime maximum combined credits of \$500 (\$200 from windows and skylights) over total credits allowed for all earlier tax years ending after 2005.
- **Sec. 25D residential energy-efficient property credit:** 30% of amount paid for qualifying property (for qualified fuel cell property maximum credit of \$500 for each 0.5 kilowatt of capacity).
- **Small business health insurance credit:** 35% of amount of non-elective contributions eligible small business makes on behalf of employees for premiums for qualified health plans. Phases out for employers

with between 10 and 25 full-time-equivalent employees and average annual wages of between \$25,000 and \$50,000.

Saver's Credit Applicable Percentages

Filing Status	AGI	Applicable Percentage
Married filing jointly	\$0 to \$34,000	50%
	\$34,000 to \$36,500	20%
	\$36,500 to \$56,500	10%
Head of household	\$0 to \$25,500	50%
	\$25,500 to \$27,375	20%
	\$27,375 to \$42,375	10%
All other filers	\$0 to \$17,000	50%
	\$17,000 to \$18,250	20%
	\$18,250 to \$28,250	10%

Sec. 179 and Bonus Depreciation

- Sec. 179 maximum expense deduction: \$500,000, reduced by cost of property placed in service during the year above \$2 million.
- Sec. 168(k) bonus depreciation: 100% for qualifying property.

Retirement Plans

- Maximum 401(k) plan elective deferral: \$16,500 (plus \$5,500 catch-up for age 50+).
- Defined benefit plan maximum benefit: \$195,000 (may be reduced based on participant's age, average compensation or length of plan participation).
- Defined contribution plan contribution limit: Lesser of \$49,000 or 100% of compensation.
- IRA contribution limit: \$5,000 (plus \$1,000 catch-up for age 50+).
- IRA deduction phaseout: Modified AGI from \$90,000 to \$110,000 (married taxpayers filing jointly); \$56,000 to \$66,000 (single taxpayers, heads of household); \$0 to \$10,000 (married taxpayers filing separately); \$169,000 to \$179,000 (nonactive participant whose spouse is an active plan participant).
- Roth IRA contribution limit: \$5,000 (plus \$1,000 catch-up for age 50+).
- ▶ Roth IRA contribution limit phaseout (modified AGI):
 - \$169,000 to \$179,000 (married taxpayers filing jointly).
 - \$107,000 to \$122,000 (single taxpayers, heads of household).
 - \$0 to \$10,000 (married taxpayers filing separately).
- SEP minimum required compensation: \$550; discriminatory contribution test amount: \$245,000.

Gift and Estate

- Per-donee annual gift tax exclusion: \$13,000.
- Exclusion for gifts to noncitizen spouse: \$136,000.
- Gift/estate tax exclusion: \$5 million; estate of spouse dying after 2010 may pass unused portion of exclusion to surviving spouse.

Alternative Minimum Tax

Filing Status or Entity	AMT Exemption Amount	AMTI Phaseout of Exemption*
Married filing jointly and surviving spouse	\$74,450	\$150,000 to \$447,800
Single and head of household	\$48,450	\$112,500 to \$306,300
Married filing separately	\$37,225	\$75,000 to \$223,900
Estates and trusts	\$22,500	\$75,000 to \$165,000
Corporations	\$40,000	\$150,000 to \$310,000

* At 25% of AMTI above phaseout threshold