

Tear out this quick guide for use during tax season, and look for our quick guide for individual taxpayers in the January issue.

Corporate income tax table

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$50,000	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		35%		\$0

QUALIFIED PERSONAL SERVICE CORPORATION TAX

- Taxable income of a qualified personal service corporation: Taxed at a flat rate of 35%.

ACCUMULATED EARNINGS TAX

- 20% of accumulated taxable income (in addition to regular corporate income tax).

PERSONAL HOLDING COMPANY TAX

- 20% penalty on undistributed personal holding company income.
- No foreign tax credit allowed against personal holding company tax.

SELF-EMPLOYMENT TAX

- Tax rate: 15.3% (12.4% OASDI tax plus 2.9% Medicare tax).
- Surtax: 0.9% Medicare surtax added to self-employment income in excess of \$200,000

(single), \$250,000 (married filing jointly), or \$125,000 (married filing separately).

- Wage base: \$118,500 of self-employment income for OASDI (maximum OASDI tax of \$14,694; no ceiling on Medicare tax).

SOCIAL SECURITY TAX

- Tax rate: 7.65%, imposed on both employer and employee (6.2% OASDI tax plus 1.45% Medicare tax).
- Wage base: \$118,500 of wages for OASDI (maximum OASDI tax of \$14,694; no ceiling on Medicare tax).

FEDERAL UNEMPLOYMENT TAX

- Tax rate: Employers pay 6% on first \$7,000 of wages paid to employee.
- Credit: 5.4% for contributions paid to state unemployment insurance funds.

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Business tax quick guide—tax year 2015

ESTIMATED TAX

- Corporations owing \$500 or more in income tax for the tax year must make estimated tax payments equaling the lesser of 100% of prior-year or current-year tax liability. Large corporations must base the last three payments on current-year tax liability.
- Due on the 15th day of the fourth, sixth, ninth, and 12th months of the corporation's tax year (April 15, June 15, Sept. 15, and Dec. 15 for calendar-year corporations).

CORPORATE ALTERNATIVE MINIMUM TAX

- Tax: 20% of alternative minimum taxable income (AMTI) over exemption amount.
- Exemption amount: \$40,000 minus 25% of AMTI over \$150,000 (exemption phased out when AMTI equals \$310,000).
- Small businesses are exempt from AMT in the first year of their existence; they are exempt from AMT in subsequent years if they satisfy a gross receipts test.

NONRESIDENT AND FOREIGN CORPORATIONS

- Taxed on U.S.-source investment income at 30% (or lower under treaty).
- Net income effectively connected with a U.S. trade or business taxed at regular U.S. tax rates; also subject to AMT.
- Accumulated earnings tax of 20% of accumulated taxable income.
- Branch profits tax of 30% on dividend equivalent amount.
- 4% tax on U.S.-source gross transportation income that is not effectively connected with a U.S. trade or business.

FILING DEADLINES

- Form 1120: 15th day of third month following close of corporation's tax year (six-month extension available (Form 7004)).
- Form 1065: 15th day of fourth month following close of partnership's tax year (six-month extension available (Form 7004)).
- Form 1065, Schedule K-1: Due to partners on or before date partnership files Form 1065.
- Form 1120S: 15th day of third month following close of S corporation's tax year (six-month extension available (Form 7004)).
- Form 1120S, Schedule K-1: Due to shareholders on or before date S corporation files Form 1120S.

STANDARD MILEAGE RATE

- For business use of auto: 57½ cents per mile.
- Deemed depreciation: 24 cents per mile.

Business auto depreciation limits

	Year 1	Year 2	Year 3	Years 4–6
Passenger automobiles	\$3,160	\$5,100	\$3,050	\$1,875
Trucks and vans	\$3,460	\$5,600	\$3,350	\$1,975

TRAVEL PER-DIEM RATES

- High/low method: \$259 per day (\$65 for meals) through Sept. 30, \$275 per day (\$68 for meals) after Sept. 30, for high-cost localities; \$172 per day (\$52 for meals) through Sept. 30, \$185 per day (\$57 for meals) after Sept. 30, for other localities in the continental United States (CONUS).
- Incidental expenses: \$5 per day.
- Transportation industry meals and incidentals: \$59 per day through Sept. 30, \$63 per day after Sept. 30 (CONUS); \$65 per day through Sept. 30, \$68 per day after Sept. 30 (outside CONUS).

SEC. 179 EXPENSE DEDUCTION

- \$25,000 with \$200,000 threshold limit. (As of Nov. 2; check for end-of-year legislation.)

DIVIDENDS-RECEIVED DEDUCTION

- From a domestic corporation: 70%.
- From a corporation owned 20% or more: 80%.
- From a member of an affiliated group filing a separate return: 100%.

S CORPORATIONS

- Built-in gains tax: Highest corporate tax rate times net recognized built-in gain (imposed during recognition period on S corporations that were formerly C corporations).
- Excess net passive income tax: Imposed if S corporation has accumulated earnings and profits at the end of the tax year and its passive investment income exceeds 25% of the corporation's gross receipts. Highest corporate tax rate times excess net passive income.
- LIFO recapture amount: Excess (if any) of the inventory amount under FIFO over the inventory amount under LIFO at the close of the S corporation's last C corporation tax year must be included in the corporation's gross income.