

# 2010 1040 TAX NOTES

Provision	2010	2009
Business equipment expensing deduction	\$500,000	\$250,000
Total purchase limit for full expensing deduction	\$2 million	\$800,000
Standard mileage rate for business driving	50¢ per mile	55¢ per mile
Mileage rate for medical and moving expense deductions	16.5¢ per mile	24¢ per mile
Mileage rate for charitable activity driving	14¢ per mile	14¢ per mile
Adoption credit	\$13,170	\$12,150
Maximum wages subject to social security tax	\$106,800	\$106,800
Social security earnings limit		
- Below full retirement age	\$14,160	\$14,160
- Full retirement age	No limit	No limit
Top estate tax rate	0%	45%
Amount exempt from estate tax	No limit	\$3.5 million
Annual gift tax exclusion (per donee)	\$13,000	\$13,000
Maximum retirement plan contributions		
- IRA for those under age 50	\$5,000	\$5,000
- IRA for those 50 and over	\$6,000	\$6,000
- SIMPLE plan for those under age 50	\$11,500	\$11,500
- SIMPLE plan for those 50 and over	\$14,000	\$14,000
- 401(k) plan for those under age 50	\$16,500	\$16,500
- 401(k) plan for those 50 and over	\$22,000	\$22,000
"Kiddie tax" threshold	\$1,900	\$1,900
"Nanny tax" threshold	\$1,700	\$1,700
Personal exemption	\$3,650	\$3,650
Standard deduction		
- Single	\$5,700	\$5,700
- Joint returns & surviving spouses	\$11,400	\$11,400
- Married filing separately	\$5,700	\$5,700
- Head of household	\$8,400	\$8,350
- Additional for elderly or blind (married)	\$1,100	\$1,100
- Additional for elderly or blind (single)	\$1,400	\$1,400

<b>Child Credit (\$1,000 Per Child)</b>	<b>Phase-Out Level</b>
Single / Head of household	Starts at \$75,000
Joint	Starts at \$110,000
Married filing separately	Starts at \$55,000

<b>IRA Deductibility (With Company Pension)</b>	<b>Phase-Out Level</b>
Single / Head of household	\$56,000 - 66,000
Joint	\$89,000 - 109,000
Married filing separately	\$0 - 10,000
When spouse has company pension	\$167,000 - 177,000

<b>Roth IRA Eligibility</b>	<b>Phase-Out Level</b>
Single / Head of household	\$105,000 - 120,000
Joint	\$167,000 - 177,000
Married filing separately	\$0 - 10,000
Rollover of regular IRA to Roth IRA	No income limit

<b>Education Savings Accounts</b>	<b>Phase-Out Level</b>
Single / Head of household / Married filing separately	\$95,000 - 110,000
Joint	\$190,000 - 220,000

<b>American Opportunity (HOPE) Tax Credit</b>	<b>Phase-Out Level</b>
Single / Head of household	\$80,000 - 90,000
Joint	\$160,000 - 180,000
Married filing separately	\$ 0

<b>Lifetime Learning Credit</b>	<b>Phase-Out Level</b>
Single / Head of household	\$50,000 - 60,000
Joint	\$100,000 - 120,000
Married filing separately	\$ 0

<b>Education Loan Interest Deduction</b>	<b>Phase-Out Level</b>
Single / Head of household	\$60,000 - 75,000
Joint	\$120,000 - 150,000
Married filing separately	\$ 0