

TAX RATE SCHEDULES

FEDERAL 2009 TAX RATE SCHEDULES FOR INDIVIDUALS

Married Filing Joint/Surviving Spouses

Up to \$16,700	10%	
16,700 to 67,900	1,670.00 + 15% of excess over	16,700
67,900 to 137,050	9,350.00 + 25% of excess over	67,900
137,050 to 208,850	26,637.50 + 28% of excess over	137,050
208,850 to 372,950	46,741.50 + 33% of excess over	208,850
372,950 and over	100,894.50 + 35% of excess over	372,950

Head of Household

Up to \$11,950	10%	
11,950 to 45,500	1,195.00 + 15% of excess over	11,950
45,500 to 117,450	6,227.50 + 25% of excess over	45,500
117,450 to 190,200	24,215.00 + 28% of excess over	117,450
190,200 to 372,950	44,585.00 + 33% of excess over	190,200
372,950 and over	104,892.50 + 35% of excess over	372,950

Single Individual

Up to \$8,350	10%	
8,350 to 33,950	835.00 + 15% of excess over	8,350
33,950 to 82,250	4,675.00 + 25% of excess over	33,950
82,250 to 171,550	16,750.00 + 28% of excess over	82,250
171,550 to 372,950	41,754.00 + 33% of excess over	171,550
372,950 and over	108,216.00 + 35% of excess over	372,950

Married Filing Separately

Up to \$8,350	10%	
8,350 to 33,950	835.00 + 15% of excess over	8,350
33,950 to 68,525	4,675.00 + 25% of excess over	33,950
68,525 to 104,425	13,318.75 + 28% of excess over	68,525
104,425 to 186,475	23,370.75 + 33% of excess over	104,425
186,475 and over	50,447.25 + 35% of excess over	186,475

EXEMPTION DEDUCTION

Personal and Dependant Exemption	3,650
Standard Deduction	
Married filing jointly & surviving spouse	11,400
Married filing separately	5,700
Head of household	8,350
Single	5,700

Personal Exemption Phaseout Range

Based on AGI – Beginning

Joint or Surviving Spouse	250,200
Single	166,800
Head of Household	208,500
Married Filing Separately	125,100

Beginning of Itemized Deduction

Phaseout range – Based on AGI

Joint; Single; or Head of Household	166,800
Married Filing Separate	83,400

U.S. CORPORATE TAX RATES – Taxable Income Rate

Up to \$50,000	15%	
50,001 to 75,000	7,500 + 25% of excess over	50,000
75,001 to 100,000	13,750 + 34% of excess over	75,000
100,001 to 335,000	22,250 + 39% of excess over	100,000
335,001 to 10,000,000	113,900 + 34% of excess over	335,000
10,000,001 to 15,000,000	3,400,000 + 35% of excess over	10,000,000
15,000,001 to 18,333,333	5,150,000 + 38% of excess over	15,000,000
18,333,334 and over	35%	

NEW JERSEY 2009 TAX RATE SCHEDULES FOR INDIVIDUALS

Married Filing Joint/Head of Household

Qualifying Widow(er)

\$20,000 or less	1.4%
20,000 to 50,000	1.75% minus \$70.00
50,000 to 70,000	2.45% minus \$420.00
70,000 to 80,000	3.5% minus \$1,154.50
80,000 to 150,000	5.525% minus \$2,775.00
150,000 to 500,000	6.37% minus \$4,042.50
over 500,000	8.97% minus \$17,042.50

Single/Married Filing Separate

\$20,000 or less	1.4%
20,000 to 35,000	1.75% minus \$70.00
35,000 to 40,000	3.5% minus \$682.50
40,000 to 75,000	5.525% minus \$1,492.50
75,000 to 500,000	6.37% minus \$2,126.25
over 500,000	8.97% minus \$15,126.25

Personal Exemptions – New Jersey

A. Each taxpayer is allowed a personal exemption of \$1,000 for the following as applicable:

1. Self
2. Spouse not filing separately
3. If taxpayer is age 65 or older, entitled to an additional \$1,000 exemption. Same for spouse if not filing separately.
4. If taxpayer is blind or disabled, entitled to an additional \$1,000 exemption. Same for spouse if not filing separately.

Dependent Exemptions – New Jersey

A. Each taxpayer is allowed \$1,500 exemption for each dependent child as defined by the Federal tax code. Additionally, a \$1,000 exemption is available to dependents under age 22 attending college full-time where the taxpayer paid at least half of tuition and maintenance.

Property Tax Deduction/Principal Residence

Taxpayers that pay property taxes receive a 100% deduction, up to \$10,000, based on tax paid.

Deduction/Credit for Tenants

Tenants who are residents can receive a 100% deduction, up to \$10,000, based on 18% of rent paid.

COMPARE TAX-EXEMPT AND TAXABLE YIELDS

To match the tax-exempt yield below	In this Tax Bracket You need to earn a taxable yield:			
	25%	28%	33%	35%
4.0%	5.3%	5.6%	6.0%	6.2%
5.0%	6.7%	6.9%	7.5%	7.7%
6.0%	8.0%	8.3%	9.0%	9.2%
7.0%	9.3%	9.7%	10.4%	10.8%

STANDARD AUTO MILEAGE ALLOWANCES - 2010

Business	50¢
Charity Work	14¢
Medical	16.5¢
Moving	16.5¢

SECTION 179 DEDUCTION

The maximum deduction for tax years beginning in 2009 is \$250,000.

Contribution and Benefits Limits		2009
Sec. 401(k), 403(b), 457(b) elective deferral		\$ 16,500
Sec. 401(k), 403(b), 457(b) catch-up deferral		\$ 5,500
Definition of highly compensated employee (HCE)		\$ 110,000
Annual compensation for benefit purposes		\$ 245,000
Defined benefit plan at age 62:	Annual amount	\$ 195,000
Defined contribution plan:	Annual amount	\$ 49,000
	Percent of pay	100%

Contributions Individual Account Contributions		2009
Traditional, spousal and Roth contribution		\$ 5,000
Catch-up contribution (over 50 years old)		\$ 1,000

		2010
	401(k), 403 (b), 457 (b)	\$ 16,500
	Catch-up Deferral	\$ 5,500
	Deferral Contribution	\$ 49,000
	IRA	\$ 5,000
	IRA Catch-up	\$ 1,000
	Definition of Highly Compensated Employee	\$ 110,000

Health Saving Accounts		2009
Single:	Annual contribution limit	\$ 3,000
	Deductible	\$ 1,200
	Out-of-pocket maximum	\$ 5,950
Family:	Annual contribution	\$ 5,950
	Deductible	\$ 2,400
	Out-of-pocket maximum	\$ 11,900

HISTORICAL INTEREST AND BOND RATES

December	Prime Rate	1-year Treasury	10-year Treasury	Moody's Bond Index	
				Aaa	Baa
2000	9.23%	6.11%	6.03%	7.62%	8.37%
2001	6.91%	3.49%	5.02%	7.08%	7.95%
2002	4.67%	2.00%	4.61%	6.49%	7.80%
2003	4.12%	1.24%	4.01%	5.66%	6.76%
2004	4.34%	1.89%	4.27%	5.63%	6.39%
2005	6.19%	3.62%	4.29%	5.23%	6.06%
2006	7.96%	4.94%	4.80%	5.59%	6.48%
2007	8.05%	4.53%	4.63%	5.56%	6.48%
2008	5.09%	1.83%	3.66%	5.63%	7.43%
2009	3.25%	0.47%	3.26%	5.31%	7.29%

EDUCATION CREDITS

Hope Credit - This tax credit is equal to 100% of your first \$1,200 of qualified tuition expenses and 50% of the next \$1,200. Tuition expenses exclude room, board and books. The maximum credit is \$1,800 per year per student and is only available for the first 2 years of post-secondary education.

Lifetime Learning Credit - This tax credit is equal to 20% of the first \$10,000 of qualified tuition expenses. The maximum credit allowed is \$2,000 for 2009. It is based on total expenses incurred and not per student. This credit is available any time as long as it is not used in the same year for the same student as the Hope Credit.

American Opportunity Tax Credit (AOC) - This tax credit is available for 2009 and 2010 only. The credit amount is the sum of 100% of the first \$2,000 of qualified tuition and related expenses plus 25% of the next \$2,000 of qualified expenses for a total maximum credit of \$2,500 per eligible student per year. Qualifying expenses include qualified tuition, fees and course materials.

AMENDED TAX RETURNS

Taxpayers who originally filed married joint, cannot change to married filing separate on an amended tax return after the due date including valid extensions.

Taxpayers who originally filed as married separate are permitted to change to married joint on an amended tax return after the due date.

Social Security:	2009	2010
OASDI tax rate	6.20%	6.20%
OASDI taxable wage base	\$ 106,800	\$ 106,800
HI Medicare	1.45%	1.45%
HI Wage Base No Limit		

Maximum annual benefit for person at full retirement age (assumes no earning during the year)			
Age:	2010	2009	
62	\$ 21,840	\$ 21,228	
65	\$ 26,292	\$ 26,064	
70	\$ 37,428	\$ 36,648	

Social Security Normal Retirement Age – 66 years
(If born in 1944)

LONG-TERM CAPITAL GAINS

Generally, gain from the sale of long-term capital assets is subject to a maximum rate of 15% for high income taxpayers and a 5% rate for lower income taxpayers in the 10% or 15% bracket. For 2009, the 5% rate has been reduced to 0% for married couples filing jointly with taxable income up to \$67,900 and to single individuals with taxable income up to \$33,950. Capital gains on collectibles are subject to a maximum rate of 28%, and unrecaptured Section 1250 gain is taxed at a maximum rate of 25%.

ALTERNATIVE MINIMUM TAX (AMT)

This tax is calculated as the excess of a taxpayer's tentative minimum tax over their regular tax. There are two AMT rates 26% and 28% which are determined by the taxpayer's alternative minimum taxable income (AMTI).

SALE OF PRINCIPAL RESIDENCE

Individuals can exclude up to \$250,000 of gain on the sale of their principal residence. Married individuals filing a joint return can exclude up to \$500,000. The residence must have been owned and occupied by the individual(s) as their principal residence for an aggregate of at least two of the five years preceding the sale. This exclusion may not be utilized more than once every two years.

Divorced Taxpayers - An individual who owns the residence is deemed to have used it as their principal residence while the individual's spouse or former-spouse is given use of it pursuant to the terms of a divorce or separation agreement.

ALIMONY DEFINITION PER IRC 71(b)(1)

The term "alimony or separate maintenance payment" means any payment in cash if:

1. such payment is received by (or on behalf of) a spouse under a divorce or separation instrument,
2. the divorce or separation instrument does not designate such payment as a payment which is not includible in gross income under this section and not allowable as a deduction under section 215,
3. in the case of an individual legally separated from his spouse under a decree of divorce or of separate maintenance, the payee spouse and the payor spouse are not members of the same household at the time such payment is made, and
4. there is no liability to make any such payment for any period after the death of the payee spouse and there is no liability to make any payment (in cash or property) as a substitute for such payments after the death of the payee spouse.