

## 2008 INDIVIDUAL INCOME TAX RATES

### Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 16,050	..... 10%	\$ 0
\$ 16,050 – \$ 65,100	\$ 1,605 + 15%	\$ 16,050
\$ 65,100 – \$ 131,450	\$ 8,963 + 25%	\$ 65,100
\$ 131,450 – \$ 200,300	\$ 25,550 + 28%	\$ 131,450
\$ 200,300 – \$ 357,700	\$ 44,828 + 33%	\$ 200,300
\$ 357,700 and above	\$ 96,770 + 35%	\$ 357,700

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,025	..... 10%	\$ 0
\$ 8,025 – \$ 32,550	\$ 803 + 15%	\$ 8,025
\$ 32,550 – \$ 65,725	\$ 4,481 + 25%	\$ 32,550
\$ 65,725 – \$ 100,150	\$ 12,775 + 28%	\$ 65,725
\$ 100,150 – \$ 178,850	\$ 22,414 + 33%	\$ 100,150
\$ 178,850 and above	\$ 48,385 + 35%	\$ 178,850

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,025	..... 10%	\$ 0
\$ 8,025 – \$ 32,550	\$ 803 + 15%	\$ 8,025
\$ 32,550 – \$ 78,850	\$ 4,481 + 25%	\$ 32,550
\$ 78,850 – \$ 164,550	\$ 16,056 + 28%	\$ 78,850
\$ 164,550 – \$ 357,700	\$ 40,052 + 33%	\$ 164,550
\$ 357,700 and above	\$103,792 + 35%	\$ 357,700

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,450	..... 10%	\$ 0
\$ 11,450 – \$ 43,650	\$ 1,145 + 15%	\$ 11,450
\$ 43,650 – \$ 112,650	\$ 5,975 + 25%	\$ 43,650
\$ 112,650 – \$ 182,400	\$ 23,225 + 28%	\$ 112,650
\$ 182,400 – \$ 357,700	\$ 42,755 + 33%	\$ 182,400
\$ 357,700 and above	\$100,604 + 35%	\$ 357,700

The phaseout of personal exemptions for taxpayers above certain income levels is not reflected in these schedules.

2008 Qualified Dividend Income 15% (0% for lower brackets)

## PERSONAL EXEMPTIONS

	2008	2007
Deduction for each taxpayer, spouse, and dependent	\$ 3,500	\$ 3,400
Personal exemptions phase out after the following threshold amounts:		
Joint returns or surviving spouse	\$ 239,950	\$ 234,600
Head of household	\$ 199,950	\$ 195,500
Single	\$ 159,950	\$ 156,400
Married filing separately	\$ 119,975	\$ 117,300

The exemption amount for taxpayers with AGI in excess of the maximum phase-out amount is \$2,333 in 2008.

## 2007 INDIVIDUAL INCOME TAX RATES

### Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 15,650	..... 10%	\$ 0
\$ 15,650 – \$ 63,700	\$ 1,565 + 15%	\$ 15,650
\$ 63,700 – \$ 128,500	\$ 8,773 + 25%	\$ 63,700
\$ 128,500 – \$ 195,850	\$ 24,973 + 28%	\$ 128,500
\$ 195,850 – \$ 349,700	\$ 43,831 + 33%	\$ 195,850
\$ 349,700 and above	\$ 94,601 + 35%	\$ 349,700

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 7,825	..... 10%	\$ 0
\$ 7,825 – \$ 31,850	\$ 783 + 15%	\$ 7,825
\$ 31,850 – \$ 64,250	\$ 4,386 + 25%	\$ 31,850
\$ 64,250 – \$ 97,925	\$ 12,486 + 28%	\$ 64,250
\$ 97,925 – \$ 174,850	\$ 21,915 + 33%	\$ 97,925
\$ 174,850 and above	\$ 47,301 + 35%	\$ 174,850

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 7,825	..... 10%	\$ 0
\$ 7,825 – \$ 31,850	\$ 783 + 15%	\$ 7,825
\$ 31,850 – \$ 77,100	\$ 4,386 + 25%	\$ 31,850
\$ 77,100 – \$ 160,850	\$ 15,699 + 28%	\$ 77,100
\$ 160,850 – \$ 349,700	\$ 39,149 + 33%	\$ 160,850
\$ 349,700 and above	\$101,469 + 35%	\$ 349,700

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,200	..... 10%	\$ 0
\$ 11,200 – \$ 42,650	\$ 1,120 + 15%	\$ 11,200
\$ 42,650 – \$ 110,100	\$ 5,838 + 25%	\$ 42,650
\$ 110,100 – \$ 178,350	\$ 22,700 + 28%	\$ 110,100
\$ 178,350 – \$ 349,700	\$ 41,810 + 33%	\$ 178,350
\$ 349,700 and above	\$ 98,356 + 35%	\$ 349,700

The phaseout of personal exemptions for taxpayers above certain income levels is not reflected in these schedules.

2007 Qualified Dividend Income 15% (5% for lower brackets)

## STANDARD DEDUCTION\*

	2008	2007
Married filing jointly	\$ 10,900	\$ 10,700
Single	\$ 5,450	\$ 5,350
Head of household	\$ 8,000	\$ 7,850
Married filing separately	\$ 5,450	\$ 5,350
Additional - blind or elderly		
Single	\$ 1,350	\$ 1,300
Married	\$ 1,050	\$ 1,050
"Kiddie"	\$ 900	\$ 850

\* Deduct the greater of standard or itemized deductions.

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# TAX POCKET GUIDE 2008

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## BUSINESS

### Depreciation

36-Month Assets (Straight-Line)	Most software
3-Year Assets (200% DB)	Dies, molds, small tools, certain horses
5-Year Assets (200% DB)	Autos, computers, typewriters, copiers, many types of equipment, private aircraft
7-Year Assets (200% DB)	Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment
7-Year Assets (150% DB)	Farm equipment
27.5-Year Assets (Straight-Line)	Rental houses, apartments, low-income housing
39-Year Assets (Straight-Line)	Nonresidential buildings

### Personal Property Depreciation

Percent of Original Depreciable Basis under 200% DB Method  
(Not applicable for mid-quarter convention)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

### Section 179 Expense

	2008	2007
Maximum expense election	\$128,000	\$125,000
Phaseout threshold	\$510,000	\$500,000

## CORPORATE INCOME TAX RATES

### Regular Tax

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 50,000	15%	\$ 0
\$ 50,001 – \$ 75,000	\$ 7,500 + 25%	\$ 50,000
\$ 75,001 – \$ 100,000	\$ 13,750 + 34%	\$ 75,000
\$ 100,001 – \$ 335,000	\$ 22,250 + 39%	\$ 100,000
\$ 335,001 – \$ 10,000,000	\$ 113,900 + 34%	\$ 335,000
\$ 10,000,001 – \$ 15,000,000	\$ 3,400,000 + 35%	\$ 10,000,000
\$ 15,000,001 – \$ 18,333,333	\$ 5,150,000 + 38%	\$ 15,000,000
\$ 18,333,334 and above	a flat 35%	

Personal Service Corporations — 35% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

Corporate Estate Tax — 100%

## RETIREMENT PLANS

### Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2008	2007
Individual Retirement Accounts (IRAs)*	\$ 5,000	\$ 4,000
Section 401(k) plans or SAR-SEPs*	\$ 15,500	\$ 15,500
Section 403(b) plans*	\$ 15,500	\$ 15,500
Section 408(p)(2)(E) SIMPLE contributions*	\$ 10,500	\$ 10,500
Section 457(b)(2) limit*	\$ 15,500	\$ 15,500
Section 415 limit for:		
Defined contribution plans*	\$ 46,000	\$ 45,000
Defined benefit plans	\$ 185,000	\$ 180,000
Highly compensated employees Section 414(q)	\$ 105,000	\$ 100,000

FICA taxable wage base

Social security (tax rate 6.20% for employees; 12.40% for self-employed)	\$ 102,000	\$ 97,500
Medicare (tax rate 1.45% for employees; 2.90% for self-employed)	No limit	No limit

\* Age 50 additional contributions

401(k) type plans	\$ 5,000	\$ 5,000
SIMPLEs	\$ 2,500	\$ 2,500
IRAs	\$ 1,000	\$ 1,000

\*The section 415 compensation limit for defined contribution plans is \$225,000 for 2007 and \$230,000 for 2008.

### Roth IRAs - 2008 & 2007

• Nondeductible contributions		
• Qualified tax-free distributions		
• AGI limit for maximum contributions	2008	2007
Joint filers	\$ 159,000	\$ 156,000
Individual filers	\$ 101,000	\$ 99,000

## HEALTH SAVINGS ACCOUNTS

Contribution Limits	2008	2007
Individual, self-only	\$ 2,900	\$ 2,850
Family Coverage	\$ 5,800	\$ 5,650
Catch-up for those age 55 and older	\$ 900	\$ 800

### High-Deductible Health Plans

Minimum Deductible		
Individual, self-only	\$ 1,100	\$ 1,050
Family coverage	\$ 2,200	\$ 2,100
Maximum Annual Out-of-Pocket		
Individual, self-only	\$ 5,600	\$ 5,250
Family coverage	\$ 11,200	\$ 10,500

## HEALTH INSURANCE DEDUCTION

	2008	2007
Self-employed, Federal	100%	100%
Self-employed, Ohio	100%	100%

## ESTATE AND GIFT TAX RATES

### Estate Taxes

	2008	2007
Estate tax exemption	\$ 2,000,000	\$ 2,000,000
Applicable credit amount	\$ 780,800	\$ 780,800
Top estate tax rate	45%	45%

### Gift Taxes

	2008	2007
Lifetime gift tax exemption	\$ 1,000,000	\$ 1,000,000
Annual gift tax exclusion		
Gifts per person	\$ 12,000	\$ 12,000
Joint gifts by spouse	\$ 24,000	\$ 24,000
Top gift tax rate	45%	45%

## ALTERNATIVE MINIMUM TAX

AMT Exemption	2008	2007*
Single filers	\$ 33,750	\$ 44,350
Joint filers	\$ 45,000	\$ 62,250
Married, filing separately	\$ 22,500	\$ 33,125
Head of household	\$ 33,750	\$ 44,350

\*Reflects AMT patch amount

## LONG-TERM CARE INSURANCE

If you are:	You may deduct this much of your annual premiums	
	2008	2007
Over 70	\$ 3,850	\$ 3,680
61 to 70	\$ 3,080	\$ 2,950
51 to 60	\$ 1,150	\$ 1,100
41 to 50	\$ 580	\$ 550
40 and under	\$ 310	\$ 290

## MEDICARE

	2008	2007
Monthly premium	\$ 96.40	\$ 93.50
Deductibles and Coinsurance		
Hospital: your cost, first 60 days	\$1,024.00	\$ 992.00

## STANDARD MILEAGE RATES

Use	2008	2007
Business	50.5¢ per mile	48.5¢ per mile
Charitable	14¢ per mile	14¢ per mile
Medical	19¢ per mile	20¢ per mile
Moving	19¢ per mile	20¢ per mile

## MISCELLANEOUS AREAS

### Estimated Tax

	2008	2007
Threshold	\$ 1,000	\$ 1,000
Percentage required	90%	90%
Safe harbor (prior year)	100%	100%
Safe harbor (prior year) high income	110%	110%

### Income Thresholds for Filing Requirements

	2008	2007
Single, under 65	\$ 8,950	\$ 8,750
Single, over 65	\$ 10,300	\$ 10,050
Married, under 65 (both spouses)	\$ 17,900	\$ 17,500
Married, over 65 (both spouses)	\$ 20,000	\$ 19,600
Married, 65 or older (one spouse)	\$ 18,950	\$ 18,550

### Employment Taxes - 2008 & 2007

Federal Unemployment Tax	
Wage base on which employer pays tax	\$ 7,000
Tax Rate	.8%

### State of Ohio Unemployment Tax

Wage base on which employer pays tax	\$ 9,000
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### Minimum Wage - 2008 & 2007

Federal minimum wage law	\$5.85/hr
Ohio minimum wage law	\$7.00/hr

## CAPITAL GAINS — 2008 & 2007

Holding Period	Top Capital Gains Rates
12 months or less	35%
More than 12 months	15%
Depreciation recapture on real estate	25%
Collectibles and certain small business stock	28%

## COVERDELL ESAs — 2008 & 2007

• Contribution limit	\$ 2,000 per beneficiary
• AGI phaseouts:*	
Joint filers	\$ 190,000 – \$ 220,000
Individual filers	\$ 95,000 – \$ 110,000

\* Phaseout applies to the contributor, not the beneficiary.

Note: Coverdell ESAs (Education Savings Accounts) were formerly known as Education IRAs. Contributions for ESAs must be made before the filing date of the tax return, not including extensions.

## SOCIAL SECURITY

Maximum Annual Earned Income Limit	2008	2007
Under full retirement age	\$ 13,560	\$ 12,960
Full retirement age	No Limit	No Limit

\* For people reaching full retirement age in 2008, the limit is \$36,120 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.