

# TAX POCKET GUIDE 2010

## 2010 INDIVIDUAL INCOME TAX RATES

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

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 16,750	..... 10%	\$ 0
\$ 16,750 – \$ 68,000	\$ 1,675 + 15%	\$ 16,750
\$ 68,000 – \$ 137,300	\$ 9,363 + 25%	\$ 68,000
\$ 137,300 – \$ 209,250	\$ 26,688 + 28%	\$ 137,300
\$ 209,250 – \$ 373,650	\$ 46,834 + 33%	\$ 209,250
\$ 373,650 and above	\$101,086 + 35%	\$ 373,650

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,375	..... 10%	\$ 0
\$ 8,375 – \$ 34,000	\$ 838 + 15%	\$ 8,375
\$ 34,000 – \$ 68,650	\$ 4,681 + 25%	\$ 34,000
\$ 68,650 – \$ 104,625	\$ 13,344 + 28%	\$ 68,650
\$ 104,625 – \$ 186,825	\$ 23,417 + 33%	\$ 104,625
\$ 186,825 and above	\$ 50,543 + 35%	\$ 186,825

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,375	..... 10%	\$ 0
\$ 8,375 – \$ 34,000	\$ 838 + 15%	\$ 8,375
\$ 34,000 – \$ 82,400	\$ 4,681 + 25%	\$ 34,000
\$ 82,400 – \$ 171,850	\$ 16,781 + 28%	\$ 82,400
\$ 171,850 – \$ 373,650	\$ 41,827 + 33%	\$ 171,850
\$ 373,650 and above	\$108,421 + 35%	\$ 373,650

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,950	..... 10%	\$ 0
\$ 11,950 – \$ 45,550	\$ 1,195 + 15%	\$ 11,950
\$ 45,550 – \$ 117,650	\$ 6,235 + 25%	\$ 45,550
\$ 117,650 – \$ 190,550	\$ 24,260 + 28%	\$ 117,650
\$ 190,550 – \$ 373,650	\$ 44,672 + 33%	\$ 190,550
\$ 373,650 and above	\$105,095 + 35%	\$ 373,650

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

2010 Qualified Dividend Income 15% (0% for lower brackets)

## 2009 INDIVIDUAL INCOME TAX RATES

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

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 16,700	..... 10%	\$ 0
\$ 16,700 – \$ 67,900	\$ 1,670 + 15%	\$ 16,700
\$ 67,900 – \$ 137,050	\$ 9,350 + 25%	\$ 67,900
\$ 137,050 – \$ 208,850	\$ 26,638 + 28%	\$ 137,050
\$ 208,850 – \$ 372,950	\$ 46,742 + 33%	\$ 208,850
\$ 372,950 and above	\$100,895 + 35%	\$ 372,950

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,350	..... 10%	\$ 0
\$ 8,350 – \$ 33,950	\$ 835 + 15%	\$ 8,350
\$ 33,950 – \$ 68,525	\$ 4,675 + 25%	\$ 33,950
\$ 68,525 – \$ 104,425	\$ 13,319 + 28%	\$ 68,525
\$ 104,425 – \$ 186,475	\$ 23,371 + 33%	\$ 104,425
\$ 186,475 and above	\$ 50,447 + 35%	\$ 186,475

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 8,350	..... 10%	\$ 0
\$ 8,350 – \$ 33,950	\$ 835 + 15%	\$ 8,350
\$ 33,950 – \$ 82,250	\$ 4,675 + 25%	\$ 33,950
\$ 82,250 – \$ 171,550	\$ 16,750 + 28%	\$ 82,250
\$ 171,550 – \$ 372,950	\$ 41,754 + 33%	\$ 171,550
\$ 372,950 and above	\$108,216 + 35%	\$ 372,950

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,950	..... 10%	\$ 0
\$ 11,950 – \$ 45,500	\$ 1,195 + 15%	\$ 11,950
\$ 45,500 – \$ 117,450	\$ 6,228 + 25%	\$ 45,500
\$ 117,450 – \$ 190,200	\$ 24,215 + 28%	\$ 117,450
\$ 190,200 – \$ 372,950	\$ 44,585 + 33%	\$ 190,200
\$ 372,950 and above	\$104,893 + 35%	\$ 372,950

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

2009 Qualified Dividend Income 15% (0% for lower brackets)

## ESTATE AND GIFT TAX RATES

### Estate Taxes

	2010*	2009
Estate tax exemption	\$ N/A	\$ 3,500,000
Applicable credit amount	\$ N/A	\$ 1,455,800
Top estate tax rate	N/A	45%

\*Under current law, the estate tax is eliminated in 2010.

### Gift Taxes

	2010	2009
Lifetime gift tax exemption	\$ 1,000,000	\$ 1,000,000
Annual gift tax exclusion		
Gifts per person	\$ 13,000	\$ 13,000
Joint gifts by spouse	\$ 26,000	\$ 26,000
Top gift tax rate	35%	45%

## ALTERNATIVE MINIMUM TAX

AMT Exemption	2010*	2009
Single filers	\$ 33,750	\$ 46,700
Joint filers	\$ 45,000	\$ 70,950
Married, filing separately	\$ 22,500	\$ 35,475
Head of household	\$ 33,750	\$ 46,700

\*Adjustments are expected.

## LONG-TERM CARE INSURANCE

If you are:	You may deduct this much of your annual premiums	
	2010	2009
Over 70	\$ 4,110	\$ 3,980
61 to 70	\$ 3,290	\$ 3,180
51 to 60	\$ 1,230	\$ 3,180
41 to 50	\$ 620	\$ 600
40 and under	\$ 330	\$ 320

## MEDICARE

	2010	2009
Monthly premium	\$ 96.40	\$ 96.40
Deductibles and Coinsurance		
Hospital: your cost, first 60 days	\$1,100.00	\$1,068.00

## PERSONAL EXEMPTIONS

	2010*	2009
Deduction for each taxpayer, spouse, and dependent	\$ 3,650	\$ 3,650
Personal exemptions phase out after the following threshold amounts:		
Joint returns or surviving spouse	\$ N/A	\$ 250,200
Head of household	\$ N/A	\$ 208,500
Single	\$ N/A	\$ 166,800
Married filing separately	\$ N/A	\$ 125,100

\*Under the current law, the personal exemptions phaseout is eliminated for 2010.

## STANDARD DEDUCTION\*

	2010	2009
Married filing jointly	\$ 11,400	\$ 11,400
Single	\$ 5,700	\$ 5,700
Head of household	\$ 8,400	\$ 8,350
Married filing separately	\$ 5,700	\$ 5,700
Additional - blind or elderly		
Single	\$ 1,400	\$ 1,400
Married	\$ 1,100	\$ 1,100
**Dependents	\$ 950	\$ 950

\* Deduct the greater of standard or itemized deductions.

\*\* Greater of amount above or \$300 plus dependant's earned income.

## 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% (Where applicable)

## 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

	2010	2009
Maximum expense election	\$134,000	\$250,000
Phaseout threshold	\$530,000	\$800,000

## COVERDELL ESAs — 2010 & 2009

- 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.

## RETIREMENT PLANS

### Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2010	2009
Individual Retirement Accounts (IRAs)*	\$ 5,000	\$ 5,000
Section 401(k) plans or SAR-SEPs*	\$ 16,500	\$ 16,500
Section 403(b) plans*	\$ 16,500	\$ 16,500
Section 408(p)(2)(E) SIMPLE contributions*	\$ 11,500	\$ 11,500
Section 457(b)(2) limit*	\$ 16,500	\$ 16,500
Section 415 limit for:		
Defined contribution plans*	\$ 49,000	\$ 49,000
Defined benefit plans	\$ 195,000	\$ 195,000
Highly compensated employees Section 414(q)	\$ 110,000	\$ 110,000

FICA taxable wage base

Social security (tax rate 6.20% for employees; 12.40% for self-employed)	\$ 106,800	\$ 106,800
Medicare (tax rate 1.45% for employees; 2.90% for self-employed)	No limit	No limit

\* Age 50 additional contributions

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

\*The section 415 compensation limit for defined contribution plans is \$245,000 for 2009 and 2010.

### Roth IRAs - 2010 & 2009

- Nondeductible contributions
- Qualified tax-free distributions
- AGI limit for maximum contributions
 

	2010	2009
Joint filers	\$ 167,000	\$ 166,000
Individual filers	\$ 105,000	\$ 105,000

## MISCELLANEOUS AREAS

### Estimated Tax

	2010	2009
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

	2010	2009
Single, under 65	\$ 9,350	\$ 9,350
Single, over 65	\$ 10,750	\$ 10,750
Married, under 65 (both spouses)	\$ 18,700	\$ 18,700
Married, over 65 (both spouses)	\$ 20,900	\$ 20,900
Married, 65 or older (one spouse)	\$ 19,800	\$ 19,800

### Employment Taxes - 2010 & 2009

#### 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 - 2010 & 2009

	2010	2009
Federal minimum wage law	\$ 7.25/hr	\$ 7.25/hr
Ohio minimum wage law	\$ 7.30/hr	\$ 7.30/hr

## HEALTH SAVINGS ACCOUNTS

#### Contribution Limits

	2010	2009
Individual, self-only	\$ 3,050	\$ 3,000
Family Coverage	\$ 6,150	\$ 5,950
Catch-up for those age 55 and older	\$ 1,000	\$ 1,000

#### High-Deductible Health Plans

##### Minimum Deductible

Individual, self-only	\$ 1,200	\$ 1,150
Family coverage	\$ 2,400	\$ 2,300

##### Maximum Annual Out-of-Pocket

Individual, self-only	\$ 5,950	\$ 5,800
Family coverage	\$ 11,900	\$ 11,600

## STANDARD MILEAGE RATES

Use	2010	2009
Business	50¢ per mile	55¢ per mile
Charitable	14¢ per mile	14¢ per mile
Medical	16.5¢ per mile	24¢ per mile
Moving	16.5¢ per mile	24¢ per mile

## HEALTH INSURANCE DEDUCTION

	2010	2009
Self-employed, Federal	100%	100%
Self-employed, Ohio	100%	100%

## CAPITAL GAINS — 2010 & 2009

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%

## SOCIAL SECURITY

#### Maximum Annual Earned Income Limit

	2010	2009
Under full retirement age	\$ 14,160	\$ 14,160
Full retirement age	No Limit	No Limit

\* For people reaching full retirement age in 2010, the limit is \$37,680 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

## SERVICES

### Accounting, Auditing & Financial Reporting

Audits, Reviews & Compilations  
Budgeting & Cash Forecasting  
Business Advisory Services  
Financial Projections & Forecasts  
Management & Internal Control Reviews

### Tax Services

Business, Estate & Personal Tax Planning  
Employment Benefit Plans & Administration  
International Tax & Consulting  
State & Local Tax Issues  
Tax Return Preparation

### Consulting Services

Business Valuations  
Buy-Sell Agreements  
Cost Management  
Financial Management, Restructuring & Reorganization  
Human Resources Consulting  
Merger & Acquisition Services  
Ownership Succession Planning

### Litigation Services

Bankruptcy & Reorganization  
Business, Asset & Matrimonial Valuation  
Employment, Injury & Wrongful Death Damages  
Intellectual Property, Contract & Business Interruption Damages

### Related Companies & Services

Cohen & Company Florida, Ltd.  
Cohen Fund Audit Services, Ltd.  
Raintree Capital Partners, LLC  
Sequoia Financial Group, LLC