

Corporate Income Tax Rates

Taxable Income	Tax	% on Excess
\$ 0	\$ 0	15%
50,000	7,500	25%
75,000	13,750	34%
100,000	22,250	39%
335,000	113,900	34%
10,000,000	3,400,000	35%
15,000,000	5,150,000	38%
18,333,333	6,416,667	35%

Personal service corporations are taxed at a flat 35% rate.

MACRS Depreciation Rates (with half-year convention)

Year	5-year Property	7-year Property
1	20.00%	14.29%
2	32.00%	24.49%
3	19.20%	17.49%
4	11.52%	12.49%
5	11.52%	8.93%
6	5.76%	8.92%
7	—	8.93%
8	—	4.46%

FICA Rates

The rate for the employee portion of Social Security tax is 4.2%*, and the maximum earned income it applies to is \$110,100, while the Medicare rate is 1.45% and applies to all earned income. Self-employed individuals pay both the employee and employer portions, but get a deduction for the employer portion. Cash wages totaling \$1,800 or more to household employees are also subject to FICA taxes.

*Assuming the two-month extension of this reduced rate (from 6.2%) is extended for the full year.

Retirement Benefit Limits

The contribution limit for 401(k)s, 403(b)s and 457s increases to \$17,000 for 2012 (\$22,500 for those age 50 or older). The contribution limit for SIMPLEs remains unchanged at \$11,500 in 2012 (\$14,000 for people age 50 or older). And the contribution limit for traditional and Roth IRAs remains unchanged at \$5,000 for 2012 (\$6,000 for those age 50 or older). The limit increases to \$50,000 for defined contribution plans, while the compensation limit for calculating plan contributions increases to \$250,000. The annual limit increases to \$200,000 for defined benefit plans.

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Federal Tax Rates

Individual Capital Gains and Dividend Rates

The individual long-term capital gains rate is generally 15% through 2012. However, the rate can vary from 0% to 28%, depending on the type of property sold, the regular tax bracket the taxpayer falls in, and other factors. The 15% rate (generally 0% for taxpayers in the bottom two tax brackets) also applies to qualified dividends through 2012. Short-term gains (gains on assets held one year or less) and nonqualified dividends are taxed at ordinary income tax rates. See your tax consultant for more information.

Standard Deductions

Single	\$ 5,950
Married Filing Jointly or Surviving Spouse	\$ 11,900
Married Filing Separately	\$ 5,950
Head of Household	\$ 8,700

Personal Exemptions

Exemption amount	\$ 3,800
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The exemption phaseout for higher-income taxpayers doesn't apply to 2012.

Standard Mileage Rates

Business use of auto	55.5¢	per mile
Charitable use	14¢	per mile
Medical use	23¢	per mile
Moving expense	23¢	per mile

Earnings Thresholds for Phaseout of Social Security Benefits

Retirement Age	Earnings Limit
Before Full Retirement Age (FRA)	\$14,640
Pre-FRA in year you reach FRA	\$38,880
At FRA	None

Individual Income Tax Rates

(Other than long-term capital gains and qualified dividends)

Single		
Taxable Income	Tax	% on Excess
\$ 0	\$ 0	10%
8,700	870	15%
35,350	4,868	25%
85,650	17,443	28%
178,650	43,483	33%
388,350	112,684	35%

Married Filing Jointly or Surviving Spouse

Taxable Income	Tax	% on Excess
\$ 0	\$ 0	10%
17,400	1,740	15%
70,700	9,735	25%
142,700	27,735	28%
217,450	48,665	33%
388,350	105,062	35%

Married Filing Separately

Taxable Income	Tax	% on Excess
\$ 0	\$ 0	10%
8,700	870	15%
35,350	4,868	25%
71,350	13,868	28%
108,725	24,333	33%
194,175	52,531	35%

Head of Household

Taxable Income	Tax	% on Excess
\$ 0	\$ 0	10%
12,400	1,240	15%
47,350	6,483	25%
122,300	25,220	28%
198,050	46,430	33%
388,350	109,229	35%

Estate and Trust Income Tax Rates

Taxable Income	Tax	% on Excess
\$ 0	\$ 0	15%
2,400	360	25%
5,600	1,160	28%
8,500	1,972	33%
11,650	3,012	35%

Estate Tax Exemptions and Rates

Year	Exemption*	Top % on Excess
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$1,000,000	55%

The spouse of someone who dies in 2011 or 2012 may be able to use the deceased spouse's unused exemption.

* Less taxable gifts during life.

Gift Tax Exemptions and Rates

Year	Exemption	Top % on Excess
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$1,000,000	55%

2012 annual gift tax exclusion: \$13,000 per recipient (\$26,000 if spouses elect "split-gift" treatment)