

Estate & Gift Tax Rates

Estate Value	Year	Tax	% on Excess Over Base
\$ 2,000,000	2008	\$ 0	45%
\$ 3,500,000	2009	\$ 0	45%

	2008	2009
Estate Exemption	\$2,000,000	\$3,500,000
Gift Exemption	\$1,000,000	\$1,000,000

ANNUAL GIFT EXCLUSION

	2008	2009
Gifts/person	\$ 12,000	\$ 13,000
Joint gifts by spouses	\$ 24,000	\$ 26,000

Health Savings Accounts

	2008	2008	2009	2009
	Single	Family	Single	Family
Max Deduct./Contribution	\$2,900	\$5,800	\$3,000	\$5,950
Minimum Deduct./Contribution	\$1,100	\$2,200	\$1,150	\$2,300
Age 55-64 Catch-Up	\$ 900		\$1,000	

Tax Credits

	2008	2009
Child Tax Credit under age 17, subject to phaseouts above \$110,000 (married & joint) and above \$75,000 (single)	\$1,000/child	\$1,000/child
The Hope Scholarship Credit* for first 2 yrs. post-secondary education	\$1,800	\$1,800
The Lifetime Learning Credit* for each additional year of post-secondary education	\$2,000	\$2,000

*subject to phaseouts between \$96,000-\$116,000 (married & joint) and \$48,000-\$58,000 (single).

Equipment Depreciation

SECTION 179

	2008	2009
Maximum Deduction is	\$250,000	\$133,000

Retirement Plan Contribution Limits

INDIVIDUAL & EMPLOYER PLAN LIMITATIONS

	2008	2009
Individual 401(k) Contributions	\$15,500	\$ 16,500
Age 50+ Catch-up	\$ 5,000	\$ 5,500
Individual SIMPLE Contributions	\$10,500	\$11,500
Age 50+ Catch-up	\$ 2,500	\$ 2,500

Employer Qualified Plans	2008	2009
Maximum compensation limited to	\$230,000	\$245,000
Annual contribution limit for defined contribution plans	\$46,000	\$49,000

IRAs

Regular IRA (2008 & 2009)

Not a Participant in Another Plan

\$5,000 (2008 & 2009) maximum deductible contribution; taxable distribution; deduction for participant and for non-working spouse.

Active Participant in Another Plan

\$5,000 (2008 & 2009) deductible contribution; taxable distributions; subject to phaseouts between \$85,000-\$105,000 (married and joint); \$53,000-\$63,000 (single) for **2008** and \$89,000-\$109,000 (married and joint); \$55,000-\$65,000 (single) for **2009**.

Age 50 + Catch-up

\$1,000 deductible contribution.

Roth IRA (2008 & 2009)

\$5,000 (2008 & 2009) maximum nondeductible contribution; nontaxable distributions; subject to phaseouts between \$159,000-\$169,000 (married and joint); \$101,000-\$116,000 (single) for **2008** and \$166,000-\$176,000 (married and joint); \$105,000-\$120,000 (single) for **2009**.

Age 50 + Catch-up

\$1,000 nondeductible contribution.

2008 2009

Your
Guide
For
Tax
Rates

Friends *for* Life.



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This publication reflects tax laws in effect as of 11/07/08. Due to the concise nature of this publication, no final conclusions should be drawn without further review and consultation with a professional.

2008 Individual Income Tax Rates

MARRIED TAXPAYERS

FILING JOINTLY OR SURVIVING SPOUSES

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 16,050	\$ 1,605	15%
\$ 65,100	\$ 8,963	25%
\$ 131,450	\$ 25,550	28%
\$ 200,300	\$ 44,828	33%
\$ 357,700	\$ 96,770	35%

SINGLE

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 8,025	\$ 803	15%
\$ 32,550	\$ 4,482	25%
\$ 78,850	\$ 16,057	28%
\$ 164,550	\$ 40,053	33%
\$ 357,700	\$ 103,793	35%

HEAD OF HOUSEHOLD

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 11,450	\$ 1,145	15%
\$ 43,650	\$ 5,975	25%
\$ 112,650	\$ 23,225	28%
\$ 182,400	\$ 42,755	33%
\$ 357,700	\$ 100,604	35%

NOTE: The phaseout of personal exemptions for taxpayers above certain income levels is not reflected in these schedules. Also, these brackets are annually indexed to inflation. Taxable income is income after all deductions and exemptions.

CAPITAL GAINS TAX RATES

Short-term capital gains

held 12 months or less up to 35%

Long-term capital gains

	15% Tax Bracket	All Other Tax Brackets
Held >12 months	0%*	15%
Real estate depreciation recapture	15%	25%
Collectibles	15%	28%

*10% and 15% tax brackets

Individuals

STANDARD DEDUCTION *

	2008	2009
Married filing jointly	\$ 10,900	\$ 11,400
Single	\$ 5,450	\$ 5,700
Head of household	\$ 8,000	\$ 8,350
Married filing separately	\$ 5,450	\$ 5,700
Additional - blind or elderly		
Single	\$ 1,350	\$ 1,400
Married	\$ 1,050	\$ 1,100
Taxpayer claimed as dependent	\$ 900	\$ 950

* Deduct the greater of standard or itemized deductions.

PERSONAL EXEMPTIONS

	2008	2009
Deduction for each taxpayer spouse and dependent	\$ 3,500**	\$ 3,650**

** Phased out for upper-bracket taxpayers.

ESTIMATED TAX PAYMENTS

- ◆ Taxpayers are generally required to pay in through withholding or estimated tax payments the lesser of 100% (or 110% if AGI > \$150,000) of prior-year tax liability or 90% of current-year tax liability.
- ◆ 2009 estimated tax payments for individuals are due by:
April 15 • June 15 • September 15 • January 15, 2010

Social Security

TAXES

Employer/ Employee	Tax Rate	Wage Base 2008	Wage Base 2009
FICA	6.20%	\$102,000	\$106,800
Medicare	1.45% 7.65%	no limit	no limit
Self Employed	Tax Rate	Wage Base 2008	Wage Base 2009
FICA	12.40%	\$102,000	\$106,800
Medicare	2.90% 15.30%	no limit	no limit

Corporate Income Tax Rates

Regular Tax

TAXABLE INCOME	TAX RATE
\$ 0 - \$ 50,000	15%
\$ 50,001 - \$ 75,000	25%
\$ 75,001 - \$ 100,000	34%
\$ 100,001 - \$ 335,000	39%*
\$ 335,001 - \$ 10,000,000	34%
\$ 10,000,001 - \$ 15,000,000	35%

* Reflects 5% surtax which phases out benefit of 15% and 25% rates.

Capital Gains Tax Rate

Same as regular tax rate

Personal Service Corporations

35% flat tax rate

Per Diem Rates For Meals

	2008	2009
Low Cost Areas	\$45/day	\$45/day
High Cost Areas	\$58/day	\$58/day

Business Autos

STANDARD MILEAGE RATES

Use	Jan-June 2008	July-Dec 2008	2009
Business	\$.505/mile	\$.585/mile	TBD
Charitable	\$.14/mile	\$.14/mile	TBD
Medical	\$.19/mile	\$.27/mile	TBD
Moving	\$.19/mile	\$.27/mile	TBD

BENEFITS

Maximum Annual Earned Income Limit	2008	2009
Ages 62 up to full retirement age	\$13,560	\$14,160
Upon reaching full retirement age	No limit	No limit

TAXABLE BENEFITS

Part of social security received is taxable if AGI, plus tax-exempt interest, plus half of social security received exceeds these base amounts:

	50% Taxable	85% Taxable
Married filing jointly	\$32,001 - \$44,000	\$44,001 +
Single/Head of house	\$25,001 - \$34,000	\$34,001 +
Married filing separately	\$0	\$0