

<b>Individual Income Tax Planning</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Alternative Minimum Tax (AMT)</b>			
*Maximum AMT exemption amount			
Married filing jointly or surviving spouse	\$66,250	\$69,950	\$45,000 1
Single or head of household	\$44,350	\$46,200	\$33,750 1
Married filing separately	\$33,125	\$3,4975	\$22,500 1
*AMT income exemption phaseout threshold			
Married filing jointly or surviving spouse	\$150,000	\$150,000	\$150,000
Single or head of household	\$112,500	\$112,500	\$112,500
Married filing separately	\$75,000	\$75,000	\$75,000
<b>Kiddie tax:</b>			
*Unearned income limit			
Amount exempt from tax	\$850	\$900	\$950
Additional amount taxed at child's rate	\$850	\$900	\$950
Unearned income over this amount taxed at parent's rate	\$1,700	\$1,800	\$1,900
*Election to include child's income on parent's return --child's gross income requirement	\$850 - \$8,500	\$900 - \$9,000	\$950 - \$9,500
*AMT exemption for child subject to kiddie tax:	Lesser of \$6,300 +child's earned income or \$44,350	Lesser of \$6,400 +child's earned income or \$46,200 <sup>4</sup>	Lesser of \$6,700 +child's earned income or \$33,750 <sup>1</sup>
<b>Personal exemption amount:</b>			
*Personal exemption amount for taxpayers with AGI exceeding maximum phaseout threshold	\$1,133	\$2,333	\$2,433
*Married filing jointly			
Phaseout threshold amount	\$234,600	\$239,950	\$250,200
Completed phaseout amount after	\$357,100	\$362,450	\$372,700
*Head of household			
Phaseout threshold amount	\$195,500	\$199,950	\$208,500
Completed phaseout amount after	\$318,000	\$322,450	\$331,000
*Single			
Phaseout threshold amount	\$156,400	\$159,950	\$166,800
Completed phaseout amount after	\$278,900	\$282,450	\$289,300
*Married filing separately			
Phaseout threshold amount	\$117,300	\$119,975	\$125,100
Completed phaseout amount after	\$178,550	\$181,225	\$186,350
<b>Standard deductions:</b>			
*Married filing jointly or surviving spouse	\$10,700	\$10,900	\$11,400
*Head of household	\$7,850	\$8,000	\$8,350
*Single	\$5,350	\$5,450	\$5,700
*Married filing separately	\$5,350	\$5,450	\$5,700
*Dependent	Greater of \$850, or \$300 + earned income	Greater of \$900, or \$300 + earned income	Greater of \$950, or \$300 + earned income
*Additional deduction for aged or blind (single or head of household)	\$1,300	\$1,350	\$1,400
*Additional deduction for aged or blind (all other filing statuses)	\$1,050	\$1,050	\$1,100
*Additional standard deduction for state and local real property taxes (maximum additional deduction) <sup>5</sup>			
Married filing jointly	N/A	\$1,000	\$1,000
All other filing statuses	N/A	\$500	\$500

**Additional Key Number Categories (PFP Section Members):**

**Adoption Credit**  
**Charitable deductions**  
**Charitable fundraising contributions "insubstantial benefit" limitations**  
**Child tax credit**  
**Classroom expenses of elementary and secondary school teachers (maximum above-the-line deduction)**  
**Earned income tax credit (EITC)**  
**Expatriation**  
**Foreign earned income exclusion**  
**Itemized Deductions**  
**Marginal Income tax rates**  
**Nanny tax (domestic employee coverage threshold)**  
**"Saver's Credit" (Elective Deferrals and IRA Contributions by Certain Individuals)**  
**Standard mileage rates**

<sup>1</sup> Absent further Congressional action

<sup>4</sup> Emergency Economic Stabilization Act of 2008

<sup>5</sup> Housing Assistance Tax Act of 2008 and the Emergency Economic Stabilization Act of 2008

<b>Investment Planning</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Tax on long-term capital gains</b>			
Taxpayers in marginal tax brackets greater than 15%	15%	15%	15%
Taxpayers in marginal tax brackets 15% or less	5%	0%	0%
<b>Tax on dividends</b>			
*Maximum tax rate on dividends received by an individual shareholder from domestic and qualified foreign corporations			
Taxpayers in marginal tax brackets greater than 15%	15%	15%	15%
Taxpayers in marginal tax brackets 15% or less	5%	0%	0%
(Prior to 2003 Tax Act dividends were taxed as ordinary income)			

<b>Education Planning</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Education loans--interest deduction</b>			
*Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500	\$2,500
*MAGI phaseout range			
Single--phaseout threshold amount	\$55,000	\$55,000	\$60,000
Single Single--completed phaseout amount after	\$70,000	\$70,000	\$75,000
Married filing jointly--phaseout threshold amount	\$110,000	\$115,000	\$120,000
Married filing jointly--completed phaseout threshold amount	\$140,000	\$145,000	\$150,000
<b>Gift tax exclusion</b>			
Annual gift tax exclusion-- <i>single individual</i>	\$12,000	\$12,000	\$13,000
Annual gift tax exclusion-- <i>joint gift</i> \$24,000	\$24,000	\$26,000	
Lump-sum gift to 529 plan-- <i>single individual</i>	\$60,000	\$60,000	\$65,000
Lump-sum gift to 529 plan-- <i>joint gift</i> \$120,000	\$120,000	\$130,000	
<b>Kiddie tax</b>			
Children under age (18 in 2007) (19 in 2008) <sup>2</sup> pay federal income tax at their parents' rate on any investment income over...	\$1,700	\$1,800	\$1,900

**Additional Key Number Categories (PFP Section Members):**  
**Coverdell education savings accounts (formerly known as education IRAs)**  
**Deduction for qualified higher education expenses**  
**Hope and Lifetime Learning Credits**  
**U.S. savings bonds--interest exclusion for higher education expenses:**

<sup>2</sup> For tax years beginning after May 25, 2007, the kiddie tax rules also apply to children age 18 and full-time students over age 18 but under age 24 unless an exception applies.

<b>Retirement Planning</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Employee/individual contribution limits</b>			
<b>Elective deferral limits</b>			
* 401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>1</sup> ( <i>Includes Roth 401(k) and Roth 403(b) contributions</i> )	Lesser of \$15,500 or 100% of participant's compensation	Lesser of \$15,500 or 100% of participant's compensation	Lesser of \$16,500 or 100% of participant's compensation
* SIMPLE 401(k) plans and SIMPLE IRA plans <sup>1</sup>	Lesser of \$10,500 or 100% of participant's compensation	Lesser of \$10,500 or 100% of participant's compensation	Lesser of \$11,500 or 100% of participant's compensation
<b>Compensation limits/thresholds</b>			
<b>Retirement plan compensation limits</b>			
* Maximum compensation per participant that can be used to calculate tax deductible employer contribution (qualified plans and SEPs)	\$225,000	\$230,000	\$245,000
* Compensation threshold used to determine a highly-compensated employee	\$100,000 (when 2007 is the lookback year)	\$105,000 (when 2008 is the lookback year)	\$110,000 (when 2009 is the lookback year)
* Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners \$145,000 for officers \$150,000 for more-than-1% owners	\$1 for more-than-5% owners \$150,000 for officers \$150,000 for more-than-1% owners	\$1 for more-than 5% owners \$160,000 for officers \$150,000 for more-than 1% owners
* Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000	\$5,000
* Compensation threshold used to determine a qualifying employee under a SEP plan	\$500	\$500	\$550

**Additional Key Number Categories (PFP Section Members):**  
**IRA employee contribution limits**  
**Additional employee "catch-up" limits (individuals age 50 or older)**  
**Employer Defined benefit plan limits**  
**Employer Defined contribution plan limits (*qualified plans, 403(b) plans, SEP, and SIMPLE plans*)**  
**Traditional deductible IRA compensation limits**  
**Roth IRA compensation limits**

<sup>1</sup> Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

<sup>3</sup> Note: For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a selfemployed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

<b>Government Benefits</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Social Security</b>			
<b>Social Security Cost-of-living adjustment (COLA)</b>			
* For Social Security and Supplemental Security Income (SSI) beneficiaries	3.30%	2.30%	5.80%
<b>Tax rate</b>			
* FICA tax – Employee	7.65%	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%	6.20%
Medicare (HI) portion of tax	1.45%	1.45%	1.45%
* Self-Employed	15.30%	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%	12.40%
Medicare (HI) portion of tax	2.90%	2.90%	2.90%
<b>Maximum taxable earnings</b>			
* Social Security (OASDI only)	\$97,500	\$102,000	\$106,800
* Medicare (HI only)	No limit	No limit	No limit
<b>Additional Key Number Categories (PFP Section Members):</b> Social Security Quarter of coverage Social Security Full retirement age Social Security Retirement earnings test--exempt amounts Social Security disability thresholds SSI federal payment standard SSI resource limits SSI student exclusion limits Maximum Social Security benefit Estimated average monthly Social Security benefits payable Formula for Monthly Primary Insurance Amount (PIA) Medicare monthly premium amounts Original Medicare plan deductible and coinsurance amounts Medicaid monthly income threshold for income-cap states ("300 percent cap limit") Medicaid monthly maintenance needs allowance for at-home spouse Medicaid spousal resource allowance			

<b>Business Planning</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Adoption Assistance Programs</b>			
*Maximum amount that can be excluded from employee's gross income	\$11,390	\$11,650	\$12,150
Phaseout threshold amount	\$170,820	\$174,730	\$182,180
Completed phaseout amount after	\$210,820	\$214,730	\$222,180
<b>Section 179 expensing</b>			
*Maximum amount that may be deducted under section 179	\$125,000	\$250,000	\$133,000 2
*Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$500,000	\$800,000	\$530,000 2
<b>Standard mileage rate (per mile):</b>			
*Use of auto for business purposes	\$0.485	\$0.505 for first half of 2008, \$0.585 for second half	\$0.55

**Additional Key Number Categories (PFP Section Members):**

Earnings subject to FICA taxes (taxable wage base):  
 Health insurance deduction for self-employed:  
 Qualified transportation fringe benefits:  
 Special additional first-year depreciation allowance  
 Tax on accumulated earnings and personal holding company income

<sup>2</sup> As a result of the Emergency Economic Stabilization Act of 2008, the maximum Section 179 expensing amount is increased by the cost of any qualified disaster assistance property placed in service during the year (up to \$100,000); the phaseout threshold is also increased by the cost of any qualified disaster assistance property (up to \$600,000).

<b>Estate Planning</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Annual gift exclusion:	\$12,000	\$12,000	\$13,000
Estate tax applicable exclusion amount:	\$2,000,000	\$2,000,000	\$3,500,000
Gift tax applicable exclusion amount:	\$1,000,000	\$1,000,000	\$1,000,000

<b>2009 Estate Tax Rate Schedule</b>	<b>Tentative Tax Equals</b>		
<b>Taxable Estate</b>	<b>Base Tax</b>	<b>Plus</b>	<b>Of Amount Over</b>
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 - \$1,250,000	\$345,800	41%	\$1,000,000
\$1,250,000 - \$1,500,000	\$448,300	43%	\$1,250,000
\$1,500,000-----	\$555,800	45%	\$1,500,000
<b>2009 credit shelter amount \$3,500,000</b>	<b>2009 credit amount \$1,455,800</b>		

**Additional Key Number Categories (PFP Section Members):**

Noncitizen spouse annual gift exclusion  
 GSTT exemption  
 Special use valuation limit (qualified real property in decedent's gross estate)  
 Qualified conservation easement exclusion  
 Qualified funeral trusts

<b>Protection Planning</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Eligible long-term care premium deduction limits:</b>			
*Age 40 or under	\$290	\$310	\$320
*Age 41-50	\$550	\$580	\$600
*Age 51-60	\$1,110	\$1,150	\$1,190
*Age 61-70	\$2,950	\$3,080	\$3,180
*Over age 70	\$3,680	\$3,850	\$3,980
Per diem limit: periodic payments for qualified long-term care insurance/certain life insurance:	\$260	\$270	\$280

**Additional Key Number Categories (PFP Section Members):**

Archer Medical Savings Accounts  
 Health Savings Accounts (HSAs)