



# Tax Numbers Desk Guide

	2005		2004		2003		2002	
<b>SINGLE -</b>	%		%		%		%	
RATES/TAXABLE INCOME	10	\$ 1-7,300	10	\$ 1-7,150	10	\$ 1-7,000	10	\$ 1-6,000
	15	7,301-29,700	15	7,151-29,050	15	7,001-28,400	15	6,001-27,950
	25	29,701-71,950	25	29,051-70,350	25	28,401-68,800	27	27,951-67,700
	28	71,951-150,150	28	70,351-146,750	28	68,801-143,500	30	67,701-141,250
	33	150,151-326,450	33	146,751-319,100	33	143,501-311,950	35	141,251-307,050
	35	Over 326,450	35	Over 319,100	35	Over 311,950	38.6	Over 307,050
<b>MARRIED JOINT -</b>	10	\$ 1-14,600	10	\$ 1-14,300	10	\$ 1-14,000	10	\$ 1-12,000
RATES/TAXABLE INCOME	15	14,601-59,400	15	14,301-58,100	15	14,001-56,800	15	12,001-46,700
	25	59,401-119,950	25	58,101-117,250	25	56,801-114,650	27	46,701-112,850
	28	119,951-182,800	28	117,251-178,650	28	114,651-174,700	30	112,851-171,950
	33	182,801-326,450	33	178,651-319,100	33	174,701-311,950	35	171,951-307,050
	35	Over 326,450	35	Over 319,100	35	Over 311,950	38.6	Over 307,050
<b>MARRIED SEPARATE -</b>	10	\$ 1-7,300	10	\$ 1-7,150	10	\$ 1-7,000	10	\$ 1-6,000
RATES/TAXABLE INCOME	15	7,301-29,700	15	7,151-29,050	15	7,001-28,400	15	6,001-23,350
	25	29,701-59,975	25	29,051-58,625	25	28,401-57,325	27	23,351-56,425
	28	59,976-91,400	28	58,626-89,325	28	57,326-87,350	30	56,426-85,975
	33	91,401-163,225	33	89,326-159,550	33	87,351-155,975	35	85,976-153,525
	35	Over 163,225	35	Over 159,550	35	Over 155,975	38.6	Over 153,525
<b>HEAD OF HOUSEHOLD -</b>	10	\$ 1-10,450	10	\$ 1-10,200	10	\$ 1-10,000	10	\$ 1-10,000
RATES/TAXABLE INCOME	15	10,451-39,800	15	10,201-38,900	15	10,001-38,050	15	10,001-37,450
	25	39,801-102,800	25	38,901-100,500	25	38,051-98,250	27	37,451-96,700
	28	102,801-166,450	28	100,501-162,700	28	98,251-159,100	30	96,701-156,600
	33	166,451-326,450	33	162,701-319,100	33	159,101-311,950	35	156,601-307,050
	35	Over 326,450	35	Over 319,100	35	Over 311,950	38.6	Over 307,050
<b>12 MO. CAPITAL GAINS RATE</b>		15%/5%		15%/5%		15%/5% <sup>(1)</sup>		20%/10%
<b>5 YR. CAPITAL GAINS RATE</b>		N/A		N/A		N/A <sup>(1)</sup>		18%/8%
<b>STANDARD DEDUCTION</b>								
Single		\$ 5,000		\$ 4,850		\$ 4,750		\$ 4,700
Joint returns & surviving spouses		10,000		9,700		9,500		7,850
Married filing separately		5,000		4,850		4,750		3,925
Head of household		7,300		7,150		7,000		6,900
Additional for elderly or blind (married)		1,000		950		950		900
Additional for elderly or blind (single)		1,250		1,200		1,150		1,150
Taxpayer dependent of another		<sup>(3)</sup>		<sup>(3)</sup>		<sup>(2)</sup>		<sup>(2)</sup>
<b>PERSONAL EXEMPTION<sup>(4)</sup></b>		\$3,200		\$3,100		\$3,050		\$3,000
<b>FICA &amp; SELF-EMPLOYMENT TAX</b>								
Taxable wages for social security/Medicare		Up to \$90,000 / All		Up to \$87,900 / All		Up to \$87,000 / All		Up to \$84,900 / All
Maximum social security/Medicare tax		\$5,580 / No limit		\$5,450 / No limit		\$5,394 / No limit		\$5,264 / No limit
Social security/Medicare tax rate (employers and employees)		6.20% / 1.45%		6.20% / 1.45%		6.20% / 1.45%		6.20% / 1.45%
Social security/Medicare tax rate (self-employed)		12.4% / 2.9%		12.4% / 2.9%		12.4% / 2.9%		12.4% / 2.9%
<b>SOCIAL SECURITY EARNINGS LIMIT</b>								
Under age 65		\$12,000		\$11,640		\$11,520		\$11,280
Age 65 and over		No limit		No limit		No limit		No limit
<b>IRA CONTRIBUTION LIMIT</b>		\$4,000		\$3,000		\$3,000		\$3,000
50 & over catch-up		500		500		500		500
<b>SIMPLE DEFERRAL LIMIT</b>		\$10,000		\$9,000		\$8,000		\$7,000
50 & over catch-up		2,000		1,500		1,000		500
<b>401(K) DEFERRAL LIMIT</b>		\$14,000		\$13,000		\$12,000		\$11,000
50 & over catch-up		4,000		3,000		2,000		1,000
<b>SELF-EMP. HEALTH INSUR. DEDUCTION</b>		100%		100%		100%		70%

<sup>(1)</sup> Effective for gains realized after 5/5/03.

<sup>(2)</sup> Greater of \$750, or \$250 plus earned income, not to exceed regular standard deduction.

<sup>(3)</sup> Greater of \$800, or \$250 plus earned income, not to exceed regular standard deduction.

<sup>(4)</sup> Zero for individual who is dependent of another taxpayer.

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>SECTION 179 DEDUCTION/PURCHASE LIMIT</b>	\$105,000 / \$420,000 (SUV LIMIT - \$25,000)	\$102,000 / \$410,000	\$100,000 / \$400,000	\$24,000 / \$200,000
<b>KIDDIE TAX UNEARNED INCOME MAXIMUM</b>	\$1,600	\$1,600	\$1,500	\$1,500
<b>NANNY TAX THRESHOLD</b>	\$1,400	\$1,400	\$1,400	\$1,300
<b>EDUCATION LOAN INTEREST DEDUCTION</b>	\$2,500	\$2,500	\$2,500	\$2,500
<b>HIGHER EDUCATION DEDUCTION</b>	\$4,000 / \$2,000	\$4,000 / \$2,000	\$3,000	\$3,000
<b>EDUCATION SAVINGS ACCOUNT CONTRIBUTION</b>	\$2,000	\$2,000	\$2,000	\$2,000
<b>ESTATE TAX EXEMPTION</b>	\$1,500,000	\$1,500,000	\$1,000,000	\$1,000,000
<b>TOP ESTATE TAX RATE</b>	47%	48%	49%	50%
<b>ANNUAL GIFT EXCLUSION</b>	\$11,000	\$11,000	\$11,000	\$11,000
<b>STANDARD MILEAGE RATE</b>				
Business / Depreciation component	40.5¢ / 17¢	37.5¢ / 16¢	36¢ / 16¢	36.5¢ / 15¢
Charitable activities	14¢	14¢	14¢	14¢
Medical/Moving expense	15¢	14¢	12¢	13¢

### **PHASE-OUT INCOME<sup>(5)</sup> LEVELS FOR:**

#### **PERSONAL EXEMPTION**

Single	\$145,950 - 268,450	\$142,700 - 265,200	\$139,500 - 262,000	\$137,300 - 259,800
Joint returns & surviving spouses	218,950 - 341,450	214,050 - 336,550	209,250 - 331,750	206,000 - 328,500
Married filing separately	109,475 - 170,725	107,025 - 168,275	104,625 - 165,875	103,000 - 164,250
Head of household	182,450 - 304,950	178,350 - 300,850	174,400 - 296,900	171,650 - 294,150

#### **ITEMIZED DEDUCTIONS**

Single/Joint/Head of household	\$145,950	\$142,700	\$139,500	\$137,300
Married filing separately	72,975	71,350	69,750	68,650

#### **CHILD CREDIT**

Single/Head of household	(\$1,000 per child) Starts at \$75,000	(\$1,000 per child) Starts at \$75,000	(\$1,000 per child) Starts at \$75,000	(\$600 per child) Starts at \$75,000
Joint	Starts at \$110,000	Starts at \$110,000	Starts at \$110,000	Starts at \$110,000
Married filing separately	Starts at \$55,000	Starts at \$55,000	Starts at \$55,000	Starts at \$55,000

#### **IRA DEDUCTIBILITY (with company pension)**

Single/Head of household	\$50,000 - 60,000	\$45,000 - 55,000	\$40,000 - 50,000	\$34,000 - 44,000
Joint <sup>(6)</sup>	70,000 - 80,000	65,000 - 75,000	60,000 - 70,000	54,000 - 64,000
Married filing separately	0 - 10,000	0 - 10,000	0 - 10,000	0 - 10,000

#### **ROTH IRA ELIGIBILITY**

Single/Head of household	\$ 95,000 - 110,000	\$ 95,000 - 110,000	\$ 95,000 - 110,000	\$ 95,000 - 110,000
Joint	150,000 - 160,000	150,000 - 160,000	150,000 - 160,000	150,000 - 160,000
Married filing separately	0 - 10,000	0 - 10,000	0 - 10,000	0 - 10,000
Rollover of regular IRA to Roth IRA <sup>(7)</sup>	100,000	100,000	100,000	100,000

#### **COLLEGE BOND INTEREST EXCLUSION**

Single/Head of household	\$ 61,200 - 76,200	\$ 59,850 - 74,850	\$ 58,500 - 73,500	\$ 57,600 - 72,600
Joint	91,850 - 121,850	89,750 - 119,750	87,750 - 117,750	86,400 - 116,400
Married filing separately	0	0	0	0

#### **EDUCATION SAVINGS ACCOUNT (ED. IRA)**

Single/Head of household/Married filing separately	\$ 95,000 - 110,000	\$ 95,000 - 110,000	\$ 95,000 - 110,000	\$ 95,000 - 110,000
Joint	190,000 - 220,000	190,000 - 220,000	190,000 - 220,000	190,000 - 220,000

#### **HOPE/LIFETIME LEARNING CREDITS**

Single/Head of household	\$ 43,000 - 53,000	\$ 42,000 - 52,000	\$ 41,000 - 51,000	\$ 41,000 - 51,000
Joint	87,000 - 107,000	85,000 - 105,000	83,000 - 103,000	82,000 - 102,000
Married filing separately	0	0	0	0

#### **EDUCATION LOAN INTEREST DEDUCTION**

Single/Head of household	\$ 50,000 - 65,000	\$ 50,000 - 65,000	\$ 50,000 - 65,000	\$ 50,000 - 65,000
Joint	105,000 - 135,000	100,000 - 130,000	100,000 - 130,000	100,000 - 130,000
Married filing separately	0	0	0	0

#### **HIGHER EDUCATION DEDUCTION**

Single	\$65,000 / \$80,000	\$65,000 / \$80,000	\$ 65,000	\$ 65,000
Joint	\$130,000 / \$160,000	\$130,000 / \$160,000	130,000	130,000
Married filing separately	0	0	0	0

<sup>(5)</sup> Based on adjusted or modified adjusted gross income.

<sup>(6)</sup> When spouse, rather than taxpayer, has company pension, deductibility phase-out range is \$150,000-\$160,000.

<sup>(7)</sup> Not allowed for married filing separately.