

## AUTO, TRAVEL, MEALS & ENTERTAINMENT

Fully Deductible

- Business travel
- Auto standard mileage rate (2011: \$.51, 2010: \$.50)
- Medical travel (2011: \$.19, 2010: \$.165)
- Moving expense (2011: \$.19, 2010: \$.165)
- Charitable travel (2010-2011 - \$.14)

50% Deductible

- Business entertainment
- Business meals, including taxes, tips
- Qualified banquet meetings

Not Deductible

- Educational travel
- Investment seminars
- Luxury skybox cost in excess of normal ticket cost
- Club dues

## CORPORATE INCOME TAX RATES

2010-2011

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%
15,000,001 - 18,333,333	38%
18,333,334+	35%

Alternative Minimum Tax Rate is 20%

Personal Service Corporations: 35% flat tax rate

## SOCIAL SECURITY TAXES

Wage Base		FICA Tax Rate	Self-Employment Tax Rate
2011	2010		
\$106,800	\$106,800	7.65%*	15.3%*
\$106,801-unlimited	\$106,801-unlimited	1.45%	2.9%

\*For 2011, the self-employment tax rate decreases 2%.

Adjustment to income allowed for one half (50%) of the self-employment tax.

## INTEREST DEDUCTIONS

	2011	2010	Examples
Personal	NONE	NONE	- Auto loans - Credit cards
Investment	Up to net investment income	Up to net investment income	- Stocks/bonds - Land
Qualified Residence	100%	100%	- Principal and second residence (with limitation)
Trade or Business	100%	100%	- Asset purchases - Working capital
Passive	Net passive income	Net passive income	- Rental activities - Limited partnership interests
Education ("Above the line")	Up to \$2,500	Up to \$2,500	- Student loans (with limitations)

## ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties, pay in through withholding or estimated tax payments:

For 2010 - Lesser of:

1. 100% of prior year tax liability (if 2009 AGI <\$150,000); otherwise 110% of prior year tax liability
2. 90% of current year tax liability

Estimated tax payments for individuals are due by:

April 15 • June 15 • September 15  
January 15 of subsequent year\*

\* State and local payments deductible in year of payment

## RETIREMENT PLAN DEDUCTION LIMITS

EXCLUDING "CATCH-UP" PAYMENTS FOR INDIVIDUALS OVER 50 YEARS OF AGE

	2011	2010
401(k) maximum salary deferral limitation	\$16,500	\$16,500
Simple retirement account	\$11,500	\$11,500
Roth IRA (non-deductible)	\$ 5,000	\$ 5,000
Coverdell ESA (per child under 18) (non-deductible)	\$ 2,000	\$ 2,000
Roth IRA - AGI Phase-Out:		
Married - Joint	\$169-179K	\$167-177K
Single, Head of Household	\$107-122K	\$105-120K
Married - Separate	\$0-10K	\$0-10K
Roth IRA Conversion - AGI Maximum	*	*

\* Effective for tax years beginning after 2009, there is no AGI limitation for Roth rollovers.

## Profit Sharing and Pension Plans (Deductible Contributions)

Corporate	25% up to \$49,000 (2011-\$49,000)
Self-employed retirement plan	20%** up to \$49,000 (2011-\$49,000)

\*\* Of net self-employment income

## Individual Retirement Accounts (Taxpayer or Spouse)

Not a participant in another plan	\$5,000 Maximum*** (2010 and 2011)			
Active in another plan:				
Married AGI ***	Single AGI			
2011	2010	Deduction	2011	2010
0-90,000	0-89,000	Full	\$0-56,000	\$0-56,000
90,001-109,999	89,001-108,999	Partial	56,001-65,999	56,001-65,999
>/= \$110,000	>/= \$109,000	None	>/= \$66,000	>/= \$66,000
\$5,000	\$5,000	Maximum	\$5,000	\$5,000
\$1,000	\$1,000	Catch-Up	\$1,000	\$1,000

\*\*\* Also up to \$5,000 plus catch-up for non-working spouse. (2010 and 2011-\$5,000)

\*\*\*\* Non-participant spouse can make a full deductible contribution if AGI is less than \$167,000 (2011-\$169,000). For married persons filing separate returns, the range for a partial deduction is \$0-\$10,000.

## CAPITAL GAINS

HOLDING PERIOD	2011	2010
Short term	12 months or less	12 months or less
Long term	More than 12 months	More than 12 months
MAXIMUM TAX RATES		
Short term	Ordinary	Ordinary
Long term	15%	15%
Long term (15% bracket taxpayer)	0%	0%
Collectibles	28%	28%
Depreciable real estate:		
Depreciation recapture	25%	25%
Economic profit	15%	15%
Capital losses	*	*
SALE OF PRINCIPAL RESIDENCE		
Excludible amount:	\$250,000	\$250,000
Qualified married couples	\$500,000	\$500,000

\*Net capital losses can be offset against category of long-term and short-term gains with highest tax rate.

## EDUCATION INCENTIVES

In general: a variety of effective dates, gross income phaseouts and definitions are contained in the statute. We strongly recommend that you discuss these rules with your tax advisor in order to use them most effectively.

PROVISION	2011 Amount	2010 Amount
American Opportunity Tax Credit (Formerly the Hope Credit) First four years of post-secondary education. (Refundable)	\$2,500	\$2,500
Lifetime learning credit	\$2,000	\$2,000
Tuition and fees deduction	\$4,000	\$4,000
Student Loan interest deduction	\$2,500	\$2,500
Coverdell education savings account (per child under 18 or "special needs beneficiary")	\$2,000	\$2,000
Qualified state tuition program	*	*
Exclusion for employer-paid assistance	\$5,250	\$5,250

\* As determined by state plan

## ALTERNATIVE MINIMUM TAX

INDIVIDUALS	
Base Alternative Minimum Taxable Income*	% on Excess Over Base
\$0 - \$175,000	26%
\$175,000+	28%

\*In excess of the exemption amount

## SEC 179 ELECTION TO EXPENSE

	2011	2010
Maximum amount	\$500,000	\$500,000
Phase-out begins	\$2,000,000	\$2,000,000

The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 provides 100 percent depreciation bonus for capital investments placed in service after September 8, 2010 through December 31, 2011. For equipment placed in service after December 31, 2011 and through December 31, 2012, the bill provides for 50 percent depreciation bonus. Note: The Small Business Jobs Act of 2010, which contained 50 percent depreciation bonus, still applies to purchases made between January 1, 2010 through September 7, 2010.



# QUICK TAX FACTS 2010 - 2011



**DOEREN MAYHEW**  
Certified Public Accountants and Consultants

755 W. Big Beaver Rd., Ste. 2300  
Troy, Michigan 48084  
www.doeren.com  
248.244.3000

Known Internationally as Moore Stephens Doeren Mayhew, P.C.  
An Independent Firm Associated With  
Moore Stephens International Limited - Offices Throughout the World

This publication is distributed with the understanding that the publisher and the distributor are not rendering legal, accounting, or other professional advice, and assume no liability whatsoever in connection with its use.

CIRCULAR 230 DISCLOSURE

To ensure compliance with requirements imposed by the IRS, we are required to inform you that any U.S. federal tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of 1) avoiding penalties under the Internal Revenue Code or 2) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

Specifically, this publication does not incorporate changes contained in any legislation enacted subsequent to December 31, 2010.

## 2011 INDIVIDUAL TAX RATE SCHEDULES

### MARRIED TAXPAYERS JOINT OR SURVIVING SPOUSE

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
17,000	1,700.00	15%
69,000	9,500.00	25%
139,350	27,087.50	28%
212,300	47,513.50	33%
379,150	102,574.00	35%

### MARRIED TAXPAYERS FILING SEPARATELY

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
8,500	850.00	15%
34,500	4,750.00	25%
69,675	13,543.75	28%
106,150	23,756.75	33%
189,575	51,287.00	35%

### SINGLE TAXPAYERS

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
8,500	850.00	15%
34,500	4,750.00	25%
83,600	17,025.00	28%
174,400	42,449.00	33%
379,150	110,016.50	35%

### HEAD OF HOUSEHOLD

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
12,150	1,215.00	15%
46,250	6,330.00	25%
119,400	24,617.50	28%
193,350	45,323.50	33%
379,150	160,637.50	35%

### ESTATES AND TRUSTS

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	15%
2,300	345.00	25%
5,450	1,132.50	28%
8,300	1,930.50	33%
11,350	2,937.00	35%

## 2010 INDIVIDUAL TAX RATE SCHEDULES

### MARRIED TAXPAYERS JOINT OR SURVIVING SPOUSE

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
16,750	1,675.00	15%
68,000	9,362.50	25%
137,300	26,687.50	28%
209,250	46,833.50	33%
373,650	101,085.50	35%

### MARRIED TAXPAYERS FILING SEPARATELY

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
8,375	837.50	15%
34,000	4,681.25	25%
68,650	13,343.75	28%
104,625	23,416.75	33%
186,825	50,542.75	35%

### SINGLE TAXPAYERS

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
8,375	837.50	15%
34,000	4,681.25	25%
82,400	16,781.25	28%
171,850	41,827.25	33%
373,650	108,421.25	35%

### HEAD OF HOUSEHOLD

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
11,950	1,195.00	15%
45,550	6,235.00	25%
117,650	24,260.00	28%
190,550	44,672.00	33%
373,650	105,095.00	35%

### ESTATES AND TRUSTS

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	15%
2,300	345.00	25%
5,350	1,107.50	28%
8,200	1,905.50	33%
11,200	2,885.50	35%

## INDIVIDUALS

INCOME	2011	2010
Salary	Taxable	Taxable
Interest	Taxable	Taxable
Dividends	Taxable***	Taxable***
Net long-term capital gains	No exclusion***	No exclusion***
Net passive activity	****	****
Social Security	Taxable*****	Taxable*****
Unemployment benefits	Taxable	Taxable
GROSS INCOME		

### ADJUSTMENTS

IRA	See IRA Table	See IRA Table
Keogh/SEP	See Table	See Table
Alimony	Deductible	Deductible
Moving expenses (specified)	Deductible	Deductible
Self-employed health insurance	100% deductible	100% deductible
ADJUSTED GROSS INCOME		

### ITEMIZED DEDUCTIONS\*

Medical Expenses	7.5%	7.5%
State/local income tax*	Deductible	Deductible
Other state/local tax*	Deductible	Deductible
Mortgage interest (up to limit)	Deductible	Deductible
Personal interest	0%	0%
Investment interest	See interest table	See interest table
Charitable donations (up to limit)	Deductible	Deductible
Miscellaneous deductions and employee business expenses	2% AGI floor	2% AGI floor
Statutory deduction	N/A	N/A

### STANDARD DEDUCTIONS\*

Joint return	\$11,600	\$11,400
Married filing separately	5,800	5,700
Single	5,800	5,700
Head of household	8,500	8,400
Additional – blind or elderly		
Single	1,450	1,400
Married	1,150	1,100
Dependent (minimum standard deduction)	950	950

### PERSONAL EXEMPTIONS\*\*

Deduction for each taxpayer, spouse and dependent	3,700 **	3,650 **
---	----------	----------

### TAXABLE INCOME

Child Tax Credit (qualifying child under age 17)	1,000	1,000
--	-------	-------

\* You are allowed to deduct the greater of your standard deduction or your itemized deductions. For 2010 and 2011, taxpayer's have the choice of deducting either income taxes or state and local sales taxes. For 2010 and 2011, the phaseout is eliminated.

\*\* For 2010 and 2011, the phaseout for personal exemptions is eliminated.

\*\*\* See Capital Gains Table. Qualifying dividends received in 2010 and 2011 are taxed at the same rate as long-term capital gains.

\*\*\*\* Exceptions for actively managed real estate, Qualified Real Estate Professionals. Passive activity income/losses are netted. Resulting passive losses will be limited.

\*\*\*\*\* 50% of the benefits above the following income thresholds are taxable: (Single \$25,000) (Married \$32,000). The taxable portion increases to 85% for benefits above \$34,000 for single taxpayers and \$44,000 for married taxpayers.

## ESTATE & GIFT TAX RATE SCHEDULES

### TABLE A

Column A	Column B	Column C	Column D
Taxable Amount Over	Taxable Amount Not Over	Tax on Amount In Column A	Rate of Tax on Excess Over Amount in Column A
\$ 0	\$ 10,000	\$ 0	18%
10,000	20,000	1,800	20%
20,000	40,000	3,800	22%
40,000	60,000	8,200	24%
60,000	80,000	13,000	26%
80,000	100,000	18,200	28%
100,000	150,000	23,800	30%
150,000	250,000	38,800	32%
250,000	500,000	70,800	34%
500,000	*****	155,800	35%

For decedents dying in 2010 and 2011 the marginal rate is 35%. Under current legislation, for estates of decedents who died after 12/31/2009, and before 01/01/2011, the personal representative of the estate may make a one-time election to have modified carryover basis rules apply in lieu of the estate tax and its respective stepped-up basis. Please contact our office if you would like further explanation of this legislation, as there are income tax ramifications to this election.

### TABLE B

#### ESTATE TAX EXEMPTION AND UNIFIED CREDIT

For decedents dying in 2010, the estate tax exemption is \$5,000,000 and the unified credit is \$1,730,800.

For decedents dying in 2011, the estate tax exemption is \$5,000,000 and the unified credit is \$1,730,800.

For gifts made in 2010 and 2011, the top marginal rate is 35%.

#### TABLE C – GIFT TAX ANNUAL EXCLUSION, LIFETIME EXEMPTION AND UNIFIED CREDIT

	2011	2010
Annual exclusion	\$ 13,000	\$ 13,000
Maximum unified credit gift tax	1,730,800	330,800
Lifetime gift exemption	5,000,000	1,000,000

### TABLE D

#### GENERATION-SKIPPING TAX EXEMPTION

For 2010, the the GST exemption is \$5,000,000 and the unified credit is \$1,730,800.

For 2011, the the GST exemption is \$5,000,000 and the unified credit is \$1,730,800.