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Income Tax Key Numbers

Long-Term Capital Gains and Qualifying Dividends

Long-term capital gains and qualifying dividends continue to be taxed at a maximum rate of 15%. If you're in the 10% or 15% marginal income tax brackets, a special 0% rate will generally continue to apply.

Qualified Charitable Distributions

For 2011, an IRA holder age 70½ or older was able to exclude from gross income up to \$100,000 in otherwise taxable distributions made from his or her IRA directly to a qualified charity. Unless extended by Congress, this provision is not available for 2012.

| Exemptions | 2011 | 2012 |
|--|---------|---------|
| Personal and Dependency Exemption Amount | \$3,700 | \$3,800 |

| Standard Deduction | 2011 | 2012 |
|--|---|---|
| Married Filing Jointly (MFJ) | \$11,600 | \$11,900 |
| Head of Household | \$8,500 | \$8,700 |
| Single | \$5,800 | \$5,950 |
| Married Filing Separately | \$5,800 | \$5,950 |
| Dependent | Greater of \$950 or \$300 + earned income | Greater of \$950 or \$300 + earned income |
| Additional Deduction for Aged or Blind (Single or Head of Household) | \$1,450 | \$1,450 |
| Additional Deduction for Aged or Blind (all other filing statuses) | \$1,150 | \$1,150 |

| Tax Credits | 2011 | 2012 |
|--|--|--|
| Adoption Credit | \$13,360 max (phased out for AGIs \$185,210 to \$225,210) | \$12,650 max (phased out for AGIs \$189,710 to \$229,710) |
| Child Tax Credit | \$1,000 max; phaseout begins at AGI of \$75,000 (Single) \$110,000 (MFJ) \$55,000 (MFS); refundable up to 15% of earnings over \$3,000 | \$1,000 max; phaseout begins at AGI of \$75,000 (Single) \$110,000 (MFJ) \$55,000 (MFS); refundable up to 15% of earnings over \$3,000 |
| Lifetime Learning Tax Credit | \$2,000 max; phaseout range: \$51,000 to \$61,000 (Single) \$102,000 to \$122,000 (MFJ) | \$2,000 max; phaseout range: \$52,000 to \$62,000 (Single) \$104,000 to \$124,000 (MFJ) |
| American Opportunity (Hope) Tax Credit | \$2,500 max; phaseout range: \$80,000 to \$90,000 (Single) \$160,000 to \$180,000 (MFJ) | \$2,500 max; phaseout range: \$80,000 to \$90,000 (Single) \$160,000 to \$180,000 (MFJ) |
| Making Work Pay Tax Credit | Credit does not apply, but related benefit provided by one-year 2% reduction in employee Social Security payroll tax | Credit does not apply, but 2% reduction in employee Social Security payroll tax extended through February 2012 |

Still Available / In Effect

- Itemized deductions and personal and dependency exemptions for higher-income individuals are not reduced.
- For 2011, state and local sales tax can continue to be claimed in lieu of state and local income tax by individuals who itemize deductions on Form 1040, Schedule A. Unless extended by Congress, this provision is not available for 2012.
- For 2011, mortgage insurance premiums remain deductible as qualified residence interest, subject to adjusted gross income limitations. Unless extended by Congress, this provision is not available for 2012.

| Deductions | 2011 | 2012 |
|--|--|--|
| Classroom Expenses of School Teachers (above-the-line) | \$250 | \$0 (unless extended by Congress) |
| Deduction for Qualified Higher Education Expenses | \$4,000 max deduction/\$2,000 reduced deduction; phaseout range: \$65,000 to \$80,000 (Single) \$130,000 to \$160,000 (MFJ) | \$0 (unless extended by Congress) |
| Education Loans Interest Deduction | \$2,500 max deduction; phaseout range: \$60,000 to \$75,000 (Single), \$120,000 to \$150,000 (MFJ) | \$2,500 max deduction; phaseout range: \$60,000 to \$75,000 (Single), \$125,000 to \$155,000 (MFJ) |
| Standard Mileage Rates | Business - \$0.51/\$0.555 Medical or Moving - \$0.19/\$0.235 Charitable - \$0.14/\$0.14 (first half of 2011/second half of 2011) | Business - \$0.555 Medical or Moving - \$0.23 Charitable - \$0.14 |

| Alternative Minimum Tax (AMT) | 2011 | 2012 |
|----------------------------------|---|---|
| Maximum AMT Exemption Amount | \$74,450 (MFJ) \$48,450 (Single) \$37,225 (MFS) | \$45,000 (MFJ) \$33,750 (Single) \$22,500 (MFS) |
| AMT Exemption Phaseout Threshold | \$150,000 (MFJ) \$112,500 (Single) \$75,000 (MFS) | \$150,000 (MFJ) \$112,500 (Single) \$75,000 (MFS) |

| Kiddie Tax Rules | 2011 | 2012 |
|--|---|---|
| Amount Exempt from Tax | \$950 | \$950 |
| Additional Amount Taxed at Child's Rate | \$950 | \$950 |
| Unearned Income Over This Amount Taxed at Parent's Rate | \$1,900 | \$1,900 |
| Election to Include Child's Income on Parent's Return (Child's Gross Income Requirement) | \$950 to \$9,500 | \$950 to \$9,500 |
| AMT Exemption for Child Subject to Kiddie Tax | Lesser of \$6,800 + child's earned income or \$48,450 | Lesser of \$6,950 + child's earned income or \$33,750 |

| Top Tax Brackets | 2011 | 2012 |
|------------------|--|--|
| Single | 35% of taxable income exceeding \$379,150 + \$110,016.50 | 35% of taxable income exceeding \$388,350 + \$122,683.50 |
| MFJ | 35% of taxable income exceeding \$379,150 + \$102,574 | 35% of taxable income exceeding \$388,350 + \$105,062 |
| MFS | 35% of taxable income exceeding \$189,575 + \$51,287 | 35% of taxable income exceeding \$194,175 + \$52,531 |
| HOH | 35% of taxable income exceeding \$379,150 + \$106,637.50 | 35% of taxable income exceeding \$388,350 + \$109,229 |

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