

Tax Facts 2008

2008 Who Must File

Single	Under 65	\$8,950
	65 or older	\$10,300
Joint	Both under 65	\$17,900
	One 65 or older	\$18,950
	Both 65 or older	\$20,000
Head of Household	Under 65	\$11,500
	65 or older	\$12,850
Married filing Separate	Any age	\$3,500
Qualifying Widow(er) with dependent Child	Under 65	\$14,400
	65 or Older	\$15,450

2008 Mileage Rates

For deducting or reimbursing 2008 business mileage on a personally owned vehicle.

Charity and Medical standard rates are for purposes of deductions on Schedule A (Itemized Deductions).

Note: Both Business and medical moving rates were adjusted upward as of July 1, 2008. The deductible total is the sum of the 2 rates.

Business rate	Jan 1 - June 30, 2008	50.5 cents per mile
	July 1 - Dec 31, 2008	58.5 cents per mile
Charity rate		14 cents per mile
Medical & Moving rate	Jan 1 - June 30, 2008	19 cents per mile
	July 1 - Dec 31, 2008	27 cents per mile

2008 Maximum Contribution

Pension

IRA	
All IRA's (Deductible, non deductible, Roth)	\$5,000
Over 50	\$6,000

IRA SIMPLE	
Employee - Any % of Wages to a Maximum contribution of Over 50 (plus 2,500)	\$10,500
Employer - Matching Contributions up to 3% of Wages	\$13,000

401(K) & 401(b)	
Employee	\$15,500
Over 50 (plus 5,000)	\$20,500
Employer - Up to 20% of Wage to a Maximum wage of	\$220,000
Maximum Dollar Amt (Employer + Employee)	\$44,000

KEOGH/SEP (Self Employed)	
Depending on type of plan: Up to Either 12. +% of net Profit or 20% of Net Profit (Talk to Plan Distributor) - Maximum contribution is	\$46,000

2008 Exemptions & Standard Deduction

Exemptions	\$3,500
But remember the Phaseout rules	

Standard deduction

Single	5,450
Blind (+1,350)	\$6,800
Over 65 (+1,350)	\$6,800
Blind and over 65	\$8,150

Head of Household	\$8,000
Blind (+1,350)	\$9,350
Over 65 (+1,350)	\$9,350
Blind and over 65	\$10,700

Joint	\$10,900
Blind (+1,050)	\$11,950
Over 65 (+1,050)	\$11,950
Blind and over 65	\$13,000

Separate	\$5,450
Blind (+1,050)	\$6,500
Over 65 (+1,050)	\$6,500
Blind and over 65	\$7,550

Qualifying Widow(er) with dependent child	\$10,900
Blind (+1,050)	\$11,950
Over 65 (+1,050)	\$11,950
Blind and over 65	\$13,000

Dependent (no earned income)	\$900
Blind (+1,350)	\$2,250
Over 65 (+1,350)	\$2,250
Blind and over 65	\$3,600

Dependent with Earned Income (Wages)	Amount of earned income plus \$300 up to standard deduction for filing status
Blind (+1,350)	\$1,350 Plus: amount of earned income plus \$300-- up to standard deduction for filing status
Over 65 (+1,350)	\$1,350 Plus: amount of earned income plus \$300-- up to standard deduction for filing status
Blind and over 65	\$2,700 Plus: amount of earned income plus \$300-- up to standard deduction for filing status

California Standard deduction

Single/ Married/ Separate	\$3,692
Joint/ Head of Household/ Qualifying Widow(er)	\$7,384

2008 Tax Rate Schedules

SINGLE

Taxable income is over	But not over	The tax is	Plus	Of the amount over
0	8,025	0	10%	0
8,025	32,550	802.50	15%	8,025
32,550	78,850	4,481.25	25%	32,550
78,850	164,550	16,056.25	28%	78,850
164,550	357,700	40,052.25	33%	164,550
357,700	-----	103,791.75	35%	357,700

MARRIED FILING JOINTLY or QUALIFYING WIDOW(ER)

Taxable income is over	But not over	The tax is	Plus	Of the amount over
0	16,050	0	10%	0
16,050	65,100	1,605	15%	16,050
65,100	131,450	8,962.50	25%	65,100
131,450	200,300	25,550	28%	131,450
200,300	357,700	44,828	33%	200,300
357,700	-----	96,770	35%	357,700

HEAD OF HOUSEHOLD

Taxable income is over	But not over	The tax is	Plus	Of the amount over
0	11,450	0	10%	0
11,450	43,650	1,145	15%	11,450
43,650	112,650	5,975	25%	43,650
112,650	182,400	23,225	28%	112,650
182,400	357,700	42,755	33%	182,400
357,700	-----	100,604	35%	357,700

MARRIED FILING SEPARATELY

Taxable income is over	But not over	The tax is	Plus	Of the amount over
0	8,025	0	10%	0
8,025	32,550	802.50	15%	8,025
32,550	65,725	4,481.25	25%	32,550
65,725	100,150	12,775	28%	65,725
100,150	178,850	22,414	33%	100,150
178,850	-----	48,385	35%	178,850

ESTATES AND TRUSTS (Form 1041)

Taxable income is over	But not over	The tax is	Plus	Of the amount over
0	2,200	0	15%	0
2,200	5,150	330	25%	2,200
5,150	7,850	1,067.50	28%	5,150
7,850	10,700	1,823.50	33%	7,850
10,700	-----	2,764	35%	10,700

CORPORATIONS (Form 1120)

Taxable income is over	But not over	The tax is	Plus	Of the amount over
0	50,000	0	15%	0
50,000	75,000	7,500	25%	50,000
75,000	100,000	13,750	34%	75,000
100,000	335,000	22,250	39%	100,000
335,000	10,000,000	113,900	34%	335,000
10,000,000	15,000,000	3,400,000	35%	10,000,000
15,000,000	18,333,333	5,150,000	38%	15,000,000
18,333,333	-----	-----	35%	0

2008 Phaseouts

Many of the Tax Benefits you receive are limited or even completely phased out depending on the amount of your Adjusted Gross Income (AGI). This is a partial list for 2008.

This is one of the examples of Congress's extremely short sighted but very heavy handed way of sticking it to a very large segment of middle class taxpayers. It is an indication of the philosophy of Congress, which in its basest terms, is divide & conquer.

Here are some examples:

S = Single

HH = Head of Household

J = Joint

QW = Qualifying Widow(er) with dependent child

ITEM	STATUS	BEGINS	ENDS
Exemptions	Single	\$159,950	\$282,450
	HH	\$199,950	\$322,450
	Joint/QW	\$239,950	\$362,450
	Separate	\$119,975	\$161,225
Itemized Deductions	S/HH/J	\$159,950	(Complicated; See worksheet in Schedule A Instructions)
	Separate	\$79,975	(See worksheet in instructions)
Student Loan Interest (Max \$2,500)	S/HH	\$55,000	\$70,000
	Joint	115,000	145,000
Tuition (Credit) \$4,000	S/HH	Under	\$65,000
	Joint	Under	\$130,000
Tuition (Credit) \$2,000	S/HH	\$65,000	\$80,000
	Joint	\$130,000	\$160,000
Tuition (Credit) None	S/HH	Over	\$80,000
	Joint	Over	\$130,000
Hope Ed Credit (Max \$1,800 per CHILD for 1st. two years on college)	S/HH	\$48,000	\$58,000
	Joint	\$96,000	\$116,000
Lifetime Ed Credit (Max \$2,000 per RETURN)	S/ HH	\$48,000	\$58,000
	Joint	\$96,000	\$116,000
Adoption Credit (Max \$11,650)	S/HH/J	\$174,730	\$214,730
Passive Rental Losses (Max \$25,000)	S/HH/J	\$100,000	\$150,000
ROTH IRA Eligibility (No Tax benefit)	S/HH	\$101,000	\$116,000
	Joint	\$159,000	\$169,000

Social Security

Limits on Earnings if under 65

If you are under age 65 and drawing Social Security there is an annual limit to your earnings after which you must return some of the Social Security received. Earned Income which are earnings from Wages (W-2) and from Self Employment (Schedule C, or Partnership) must be counted. All earnings are reported to the Social Security Administration Annually.

Maximum Exempt Earnings			
Year	Under full retire age \$1 for every \$2 over	Year reaches full retire age \$1 for every \$3 over	Age 65-69 \$1 for every \$3 over
2008	\$13,560	\$36,120	N/A
2007	\$12,960	\$34,440	N/A
2006	\$12,480	\$33,240	N/A
2005	\$12,000	\$31,800	N/A
2004	\$11,640	\$31,080	N/A
2003	\$11,520	\$30,720	N/A
2002	\$11,280	\$30,000	N/A
2001	\$10,680	\$25,000	N/A
2000	\$10,080	\$17,000	N/A
1999	\$9,600	----	\$15,500
1998	\$9,120	----	\$14,500
1997	\$8,640	----	\$13,500
1996	\$8,280	----	\$12,500
1995	\$8,160	----	\$11,280
1994	\$8,040	----	\$11,160
1993	\$7,680	----	\$10,560
1992	\$7,440	----	\$10,200
1991	\$7,080	----	\$9,720
1990	\$6,840	----	\$9,360

Earnings required for Coverage

If you need additional quarters to qualify for Retirement or Medicare (40 quarters) this is the amount you will need to earn for 1 quarter of coverage. You can earn up to 4 quarters per year.

Year	Earnings required for one quarter of coverage
2008	\$1,050
2007	\$1,000

[Click here to see Social Security Historical Rates](#)