



**BUSINESS STRATEGISTS
TECHNOLOGY SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS**

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The following table provides important tax information for 2010, as compared with 2009.

Social Security Wage Base	2010	2009
Social Security Taxable Wage Base	\$106,800	\$106,800
Medicare Taxable Wage Base	No Limit	No Limit
Individual Retirement Accounts	2010	2009
Roth IRA Individual, up to 100% of earned income	\$5,000	\$5,000
Traditional IRA Individual, up to 100% of earned income	\$5,000	\$5,000
Roth and traditional IRA additional annual catch-up" contributions for employees age 50 and older "	\$1,000	\$1,000
Annual Qualified Plan Limits	2010	2009
Defined Contribution Plan Dollar Limit on additions on <i>Section 415(c)(1)(A)</i>	\$49,000	\$49,000
Defined Benefit Plan limit on benefits <i>Section 415(b)(1)(A)</i>	\$195,000	\$195,000
Maximum compensation used to determine contributions	\$245,000	\$245,000
401(k), SARSEP, 403(b) Plan Deferrals (<i>Section 402(g)</i>), & 457 Plan deferrals (<i>Section 457(b)(2)</i>)	\$16,500	\$16,500
401(k), 403(b), 457 & SARSEP additional catch-up" contributions for employees age 50 and older "	\$5,500	\$5,500
SIMPLE deferrals <i>Section 408(p)(2)(A)</i>	\$11,500	\$11,500
Simple additional catch-up" contributions for employees age 50 and older "	\$2,500	\$2,500
Compensation defining highly compensated employee <i>Section 414(q)(1)(B)</i>	\$110,000	\$110,000
Compensation defining key employee (officer)	\$160,000	\$160,000
Compensation triggering Simplified Employee Pension (SEP) contribution requirement <i>Section 408(k)(2)(c)</i>	\$550	\$550
Driving Deductions	2010	2009
Business mileage, cents per mile	50 cents	55 cents
Charitable mileage, cents per mile	14 cents	14 cents
Medical and moving mileage, cents per mile	16.5 cents	24 cents

Business Equipment	2010	2009
Maximum Section 179 expense deduction	\$134,000	\$250,000
Phaseout for Section 179	\$530,000	\$800,000
Fringe Benefit Exclusion	2010	2009
Commuter highway vehicle and transit pass, per month	\$230	\$120
Qualified parking, per month	\$230	\$230
Domestic employees	2010	2009
Annual threshold when a domestic employer is liable to withhold and pay FICA for babysitters, housekeepers, cooks, etc.	\$1,700	\$1,700
Standard Deduction	2010	2009
Married filing jointly	\$11,400	\$11,400
Single (and married filing separately)	\$5,700	\$5,700
Heads of Household	\$8,400	\$8,350
Itemized Deduction Phase-Out	2010	2009
Amount for all filing status categories except married filing separately	N/A	\$166,800
Married filing separately	N/A	\$83,400
Personal Exemption	2010	2009
Amount	\$3,650	\$3,650
Kiddie Tax	2010	2009
Net unearned income for a child that is not subject to the kiddie tax" "	\$1,900	\$1,900
Annual Exclusion for Gifts	2010	2009
Amount you can give	\$13,000	\$13,000
IRS Interest Rates	2010	2009
	(1st quarter)	(4th Quarter)
Tax overpayments	4 percent (3 percent for corporations; 1.5 percent for the portion of corporate overpayments exceeding \$10,000)	4 percent (3 percent for corporations; 1.5 percent for the portion of corporate overpayments exceeding \$10,000)
Tax underpayments	4 Percent (6 percent for large corporate underpayments)	4 Percent (6 percent for large corporate underpayments)