

WOUGH, MALONEY CO., LLP
2010 TAX FACTS

	2010	2009	2008
FICA / MEDICARE & SELF-EMPLOYMENT TAX			
Taxable wages for social security / Medicare	Up to \$106,800/All	Up to \$106,800/All	Up to \$102,000/All
Maximum social security / Medicare tax	\$6,621.60/ No Limit	\$6,621.60/ No Limit	\$6,324/ No Limit
Social security / Medicare tax rate (employers & employees)	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%
FUTA (Federal Unemployment Tax)			
Taxable wage base	\$7,000	\$7,000	\$7,000
Maximum contributions	\$56	\$56	\$56
Net tax rate	0.8% (.008)	0.8% (.008)	0.8% (.008)
SOCIAL SECURITY EARNINGS LIMIT			
Under Full Retirement Age (age 65 - 67 depending on D.O.B.)	\$14,160	\$14,160	\$13,560
Over Full Retirement Age	No limit	No limit	No limit
IRA CONTRIBUTION LIMIT			
50 & over catch-up	\$5,000	\$5,000	\$5,000
	\$1,000	\$1,000	\$1,000
SIMPLE DEFERRAL LIMIT			
50 & over catch-up	\$11,500	\$11,500	\$10,500
	\$2,500	\$2,500	\$2,500
401(k) DEFERRAL LIMIT			
50 & over catch-up	\$16,500	\$16,500	\$15,500
	\$5,500	\$5,500	\$5,000
SELF-EMPLOYED HEALTH INSURANCE DEDUCTION			
	100%	100%	100%
SECTION 179 DEDUCTION			
	\$134,000	\$250,000	\$250,000
KIDDIE TAX UNEARNED INCOME MAXIMUM			
	\$1,900	\$1,900	\$1,800
EDUCATION LOAN INTEREST DEDUCTION			
	\$2,500	\$2,500	\$2,500
HIGHER EDUCATION DEDUCTION			
	\$4,000	\$4,000	\$4,000
EDUCATION SAVINGS ACCOUNT CONTRIBUTION			
	\$2,000	\$2,000	\$2,000
ESTATE TAX EXCLUSION			
	TBD	\$3,500,000	\$2,000,000
TOP ESTATE TAX RATE			
	TBD	45%	45%
ANNUAL GIFT EXCLUSION			
	\$13,000	\$13,000	\$12,000
STANDARD MILEAGE RATE			
			Jan-Jun / Jul-Dec
Business	50¢	55¢	50.5¢ / 58.5¢
Charitable activities	14¢	14¢	14¢
Medical/Moving expense	16.5¢	24¢	19¢ / 27¢
PHASE-OUT INCOME LEVELS FOR:			
IRA DEDUCTIBILITY (WITH COMPANY PENSION)			
Single/Head of Household	\$56,000 - 66,000	\$55,000 - 65,000	\$53,000 - 63,000
Joint (taxpayer has company pension)	\$89,000 - 109,000	\$89,000 - 109,000	\$85,000 - 105,000
Married filing separately	0 - 10,000	0 - 10,000	0 - 10,000
ROTH IRA ELIGIBILITY			
Single/Head of Household	\$105,000 - 120,000	\$105,000 - 120,000	\$101,000 - 116,000
Joint	\$167,000 - 177,000	\$166,000 - 176,000	\$159,000 - 169,000
Married filing separately	0 - 10,000	0 - 10,000	0 - 10,000
Rollover of regular IRA to Roth IRA (not allowed for married filing separately)	No limit	\$100,000	\$100,000
LIFETIME LEARNING CREDITS			
Single/Head of Household	\$50,000 - 60,000	\$50,000 - 60,000	\$48,000 - 58,000
Joint	\$100,000 - 110,000	\$100,000 - 110,000	\$96,000 - 116,000
Married filing separately	0	0	0
HOPE & AMERICAN OPPORTUNITY CREDITS			
Single/Head of Household	\$80,000 - 90,000	\$80,000 - 90,000	\$48,000 - 58,000
Joint	\$160,000 - 180,000	\$160,000 - 180,000	\$96,000 - 116,000
Married filing separately	0	0	0

STATE RATES:

PENNSYLVANIA WITHHOLDING - 3.07%

PENNSYLVANIA UNEMPLOYMENT

Employer unemployment taxable wage base for employees - \$8,000
Employee unemployment tax w/h rate .08% (.0008) on ALL wages paid - no wage limit

NEW JERSEY WITHHOLDING

Graduated from 1.5% to 9.9%

NEW JERSEY UNEMPLOYMENT

Employer unemployment taxable wage base for employees - \$29,700
Employee unemployment tax withholding rate - 1.045%
(.0425 Workforce Development, .5000 Disability, .3825 Unemployment, .1200 Family Leave)

DELAWARE WITHHOLDING

Graduated from 2.2% to 5.95% for annual wages paid in excess of \$2,000

DELAWARE UNEMPLOYMENT

Employer taxable wage base for employees - \$10,500

MINIMUM WAGE RATES:

FEDERAL - \$7.25 (effective 7/24/09)
PENNSYLVANIA - \$7.25
NEW JERSEY - \$7.25
DELAWARE - \$7.25
FLORIDA - \$7.25

FEDERAL - WITH TIPS - \$2.13
PENNSYLVANIA - WITH TIPS - \$2.83
NEW JERSEY - WITH TIPS - \$2.13
DELAWARE - WITH TIPS - \$2.23
FLORIDA - WITH TIPS - \$4.23

NEW HIRE REPORTING:

Pennsylvania, New Jersey, Florida and Delaware employers are required to report to the state basic information about newly hired or rehired employees.

PHILADELPHIA WAGE TAX (EFFECTIVE 07/01/09):

Philadelphia Resident - 3.9296%
Philadelphia Non-Resident - 3.4997%

FEDERAL TAX DEPOSITORY RULES:

MONTHLY - If the accumulated tax liability is less than or equal to \$50,000 for the annual base period, deposit monthly by the 15th of the following month regardless of what day of the week the payroll is paid.

SEMI-WEEKLY - If the accumulated tax liability is more than \$50,000 for the annual base period and

- * payroll check date is Wed, Thur, Fri, deposit by the following Wednesday.
- * payroll check date is Sat, Sun, Mon or Tues, deposit by the following Friday.

EXCEPTIONS:

- * De minimis Rule - If the accumulated tax liability is less than \$2,500 for the quarter, remit the liability with the quarterly tax return.
- * \$100,000 Rule - If the accumulated tax liability is \$100,000 or more, deposit the liability on the next banking day.

ANNUAL BASE PERIOD:

To determine which deposit schedule applies, look back at employment tax reported during the period July 1, 2008 through June 30, 2009.

ELECTRONIC FEDERAL TAX PAYMENT SYSTEM (EFTPS)

Employers with \$200,000 or more in federal tax deposits (Form 941, 943, 945 and CT-1) for the determination period of 2008 (or if required to use EFTPS in any prior year) must pay their federal tax liabilities through the Electronic Federal Tax Payment System (EFTPS)

Effective Date - 1/1/10
Determination Period - 1/1/08-12/31/08
Threshold - \$200,000

Mandated filers using coupons will be subject to a 10% penalty for failure to file by EFTPS.