



2011 Tax Deductions and Limits

As of February 4, 2011.

Social Security	2011	2010
Social Security taxable wage base	\$106,800	\$106,800
Employee portion of Social Security tax	4.2%	6.2%
Self-employed Social Security tax	10.4%	12.4%
Medicare tax	1.45%	1.45%
Medicare taxable wage base	No limit	No limit
Individual Retirement Accounts	2011	2010
Individual IRA, up to 100% of earned income (combined limit for traditional and/or Roth)	\$5,000	\$5,000
Additional annual catch-up contributions for account owners age 50 and older (Roth and traditional IRA)	\$1,000	\$1,000
Annual Qualified Plan Limits	2011	2010
Maximum compensation used to determine contributions	\$245,000	\$245,000
Deferral limits for plans		
§401(k)	\$16,500	\$16,500
SIMPLE	\$11,500	\$11,500
§403(b)	\$16,500	\$16,500
§457	\$16,500	\$16,500
Additional catch-up contributions for employees, age 50 and older		
§401(k)	\$5,500	\$5,500
SIMPLE	\$2,500	\$2,500
§403(b)	\$5,500	\$5,500
§457	\$5,500	\$5,500
Highly Compensated Employee threshold	\$110,000	\$110,000
Compensation defining Key Employee in top-heavy plan	\$160,000	\$160,000
Compensation triggering Simplified Employee Pension (SEP) contribution requirement	\$550	\$550
Maximum annual addition for Defined Contribution Plan	\$49,000	\$49,000
Maximum annual benefit for Defined Benefit Plan	\$195,000	\$195,000

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Standard Deduction	2011	2010
Married filing jointly and surviving spouse	\$11,600	\$11,400
Single and married filing separately	\$5,800	\$5,700
Head of household	\$8,500	\$8,400
AMT Exemption Amounts	2011	2010
Married filing jointly and surviving spouse	\$74,450	\$72,450
Single	\$48,450	\$47,450
Married filing separately	\$37,225	\$36,225
AGI for Limit on Certain Itemized Deductions	2011	2010
All filing status categories	N/A	N/A
Personal Exemption	2011	2010
Amount	\$3,700	\$3,650
Personal Exemption Phase-Out	2011	2010
Phase-Out Begins (adjusted gross income)	N/A	N/A
Fully Phased Out (adjusted gross income)	N/A	N/A
Driving Deductions	2011	2010
Business mileage, cents per mile	51.0¢	50.0¢
Charitable mileage, cents per mile	14.0¢	14.0¢
Medical and moving mileage, cents per mile	19.0¢	16.5¢
Business Equipment	2011	2010
Maximum Section 179 expense deduction	\$500,000	\$500,000
Phase-Out for Section 179, based on asset additions	\$2 million	\$2 million
Qualified Transportation Fringe Benefit Exclusion	2011	2010
Commuter highway vehicle and transit pass, per month	\$230	\$230
Qualified parking, per month	\$230	\$230
Domestic Employees	2011	2010
Annual threshold when a domestic employer is liable to withhold and pay FICA for babysitters, housekeepers, etc.	\$1,700	\$1,700
Kiddie Tax	2011	2010
For an under-age-19 child (or a full-time student under the age of 24), the net unearned income that is <i>not</i> subject to the “kiddie tax”	\$1,900	\$1,900

Tax Credits	2011	2010
Maximum Making Work Pay credit (married, filing joint return)	N/A	\$800
Maximum Homebuyer's credit		
First-time homebuyers	N/A	\$8,000
Certain existing homeowners	N/A	\$6,500
Maximum American Opportunity Education credit	\$2,500	\$2,500
Energy credit for qualifying energy-efficient improvements to existing homes (subject to certain limitations)	30%	30%
Federal Estate Tax	2011	2010 *
Maximum tax rate	35%	N/A
Exemption amount, per decedent	\$5 million	N/A
Gift Tax	2011	2010
Annual amount, per recipient (without filing a gift tax return or reducing the lifetime gifting exemption amount)	\$13,000	\$13,000
Lifetime gifting exemption	\$5 million	\$1 million

* Estates can optionally elect to adopt the 2011 tax rates and exemption amounts for 2010.