

# 2012 | Key Facts and Figures

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## Income Taxes

2011				2012			
If Taxable Income Is:				If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over	Over	But Not More Than	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>				<b>Married Filing Jointly:</b>			
\$0	\$17,000	\$0 + 10%	\$0	\$0	\$17,400	\$0 + 10%	\$0
17,000	69,000	1,700.00 + 15%	17,000	17,400	70,700	1,740 + 15%	17,400
69,000	139,350	9,500.00 + 25%	69,000	70,700	142,700	9,735 + 25%	70,700
139,350	212,300	27,087.50 + 28%	139,350	142,700	217,450	27,735 + 28%	142,700
212,300	379,150	47,513.50 + 33%	212,300	217,450	388,350	48,665 + 33%	217,450
379,150		102,574.00 + 35%	379,150	388,350		105,062 + 35%	388,350
<b>Married Filing Separately:</b>				<b>Married Filing Separately:</b>			
\$0	\$8,500	\$0 + 10%	\$0	\$0	\$8,700	\$0 + 10%	\$0
8,500	34,500	850.00 + 15%	8,500	8,700	35,350	870.00 + 15%	8,700
34,500	69,675	4,750.00 + 25%	34,500	35,350	71,350	4,867.50 + 25%	35,350
69,675	106,150	13,543.75 + 28%	69,675	71,350	108,725	13,867.50 + 28%	71,350
106,150	189,575	23,756.75 + 33%	106,150	108,725	194,175	24,332.50 + 33%	108,725
189,575		51,287.00 + 35%	189,575	194,175		52,531.00 + 35%	194,175
<b>Head of Household:</b>				<b>Head of Household:</b>			
\$0	\$12,150	\$0 + 10%	\$0	\$0	\$12,400	\$0 + 10%	\$0
12,150	46,250	1,215.00 + 15%	12,150	12,400	47,350	1,240.00 + 15%	12,400
46,250	119,400	6,330.00 + 25%	46,250	47,350	122,300	6,482.50 + 25%	47,350
119,400	193,350	24,617.50 + 28%	119,400	122,300	198,050	25,220.00 + 28%	122,300
193,350	379,150	45,323.50 + 33%	193,350	198,050	388,350	46,430.00 + 33%	198,050
379,150		106,637.50 + 35%	379,150	388,350		109,229.00 + 35%	388,350
<b>Single:</b>				<b>Single:</b>			
\$0	\$8,500	\$0 + 10%	\$0	\$0	\$8,700	\$0 + 10%	\$0
8,500	34,500	850.00 + 15%	8,500	8,700	35,350	870.00 + 15%	8,700
34,500	83,600	4,750.00 + 25%	34,500	35,350	85,650	4,867.50 + 25%	35,350
83,600	174,400	17,025.00 + 28%	83,600	85,650	178,650	17,442.50 + 28%	85,650
174,400	379,150	42,449.00 + 33%	174,400	178,650	388,350	43,482.50 + 33%	178,650
379,150		110,016.50 + 35%	379,150	388,350		112,683.50 + 35%	388,350
<b>Estates and Trusts:</b>				<b>Estates and Trusts:</b>			
\$0	\$2,300	\$0 + 15%	\$0	\$0	\$2,400	\$0 + 15%	\$0
2,300	5,450	345.00 + 25%	2,300	2,400	5,600	360.00 + 25%	2,400
5,450	8,300	1,132.50 + 28%	5,450	5,600	8,500	1,160.00 + 28%	5,600
8,300	11,350	1,930.50 + 33%	8,300	8,500	11,650	1,972.00 + 33%	8,500
11,350		2,937.00 + 35%	11,350	11,650		3,011.50 + 35%	11,650

## Other Tax Rates

Capital Gains and Qual. Dividends 2011 & 2012	Short Term	Long Term	Qual. Div.
10%, 15% bracket	ordinary rates	0%	0%
Other brackets	ordinary rates	15%	15%

### Kiddie Tax

- Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$9,500 in 2012 – use Form 8814 with parent's return.
- If child files own return – use Form 8615 with child's return to calculate tax at parent's marginal rate.

	2011	2012	
First	\$950	\$950	No Tax
Next	\$950	\$950	Taxed at child's marginal rate
Amounts Over	\$1,900	\$1,900	Taxed at parent's marginal rate

### AMT Rates for Individuals

	AMT Taxable Income	AMT Tax Rate
Single, MFJ, HOH	\$0 - \$175,000	26%
	\$175,001 or more	28%
MFS	\$0 - \$87,500	26%
	\$87,501 or more	28%

Exemption for Single Taxpayers:  
\$48,450 in 2011 (\$33,750 in 2012\*)

Exemption for Married Couples Filing Jointly  
\$74,450 in 2011 (\$45,000 in 2012\*)

\* Absent further legislation, the exemption amounts will decrease in 2012.

## Social Security

### Maximum Compensation Subject to FICA

	2011	2012
OASDI Maximum	\$106,800	\$110,100
HI Maximum	No Limit	No Limit

- OASDI tax rate – 2011:  
10.4% self-employed, 4.2% employees
- OASDI tax rate – through Feb. 29, 2012\*:  
10.4% self-employed, 4.2% employees
- HI tax rate – 2011 & 2012:  
2.9% self-employed, 1.45% employees

\* Absent further legislation, the OASDI rates will increase March 1, 2012.

### Maximum Amount of Earnings to Still Receive Full Benefits

	2011	2012
Under full retirement age	\$14,160	\$14,640

### Base Amount of Modified AGI Causing Social Security Benefits to Be Taxable

	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

## Credits and Exclusions

Child Tax Credit	2011	2012
	\$1,000	\$1,000

Phases out \$50 for each \$1,000 AGI over \$110,000 (married filing jointly), \$75,000 (single) or \$55,000 (married filing separately).

Foreign Income	2011	2012
Foreign earned income exclusion	\$92,900	\$95,100

Maximum foreign housing exclusion of qualified housing expenses	\$13,006 (\$27,870 - \$14,864)	\$13,314 (\$28,530 - \$15,216)
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## Education Incentives

**Tuition Deduction** – “Above the line” deduction up to \$4,000 in 2011 for qualifying tuition and related expenses at accredited post-secondary institution by taxpayer, spouse or dependent; subject to income limitations; cannot be used in conjunction with either American Opportunity (modified Hope) or Lifetime Learning Credits. Absent further legislation, no deduction is available in 2012.

**Student Loan Interest Deduction** – “Above the line” deduction up to \$2,500 (2011 and 2012); no time limit on deductibility period; subject to income limitations.

**Education Credits** – American Opportunity (modified Hope) Credit is up to \$2,500 in 2011 and 2012 per student for first four years of higher education paid. Lifetime Learning Credit is 20% of tuition paid up to \$2,000 per taxpayer. Both credits subject to income limitations and cannot be used in conjunction with each other or with “above the line” deduction for qualifying tuition and related expenses.

**Section 529 Plans (Qualified Tuition Programs)** – Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$13,000 for 2011 and 2012). Donor can elect to treat up to \$65,000 of the contribution as if it had been made ratably over a 5-year period.

**Coverdell Education Savings Accounts (Education IRAs)** – Contribution limit is \$2,000; subject to income limitations.

## Deductions and Exemptions

### Standard Deductions

		Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2011	\$11,600	\$1,150
	2012	\$11,900	\$1,150
Married Filing Separately	2011	\$5,800	\$1,150
	2012	\$5,950	\$1,150
Head of Household	2011	\$8,500	\$1,450
	2012	\$8,700	\$1,450
Single	2011	\$5,800	\$1,450
	2012	\$5,950	\$1,450

### Phaseout of Itemized Deductions

- The phaseout of itemized deductions and personal exemptions has been repealed for 2011 and 2012.

### Personal Exemptions

		Exemption	AGI Threshold/ Upper Limit
Married Filing Jointly/ Surviving Spouse	2011	\$3,700	phaseout repealed
	2012	\$3,800	phaseout repealed
Married Filing Separately	2011	\$3,700	phaseout repealed
	2012	\$3,800	phaseout repealed
Head of Household	2011	\$3,700	phaseout repealed
	2012	\$3,800	phaseout repealed
Single	2011	\$3,700	phaseout repealed
	2012	\$3,800	phaseout repealed

### Code Sec. 179 Expense Allowance

	2011	2012
Dollar limitation	\$500,000	\$139,000
Investment limitation	\$2,000,000	\$560,000

## Estate and Gift Taxes

	2011	2012
Annual Gift Tax Exclusion	\$13,000	\$13,000
for Noncitizen Spouses	\$136,000	\$139,000
Gift Tax Exclusion	\$5,000,000	\$5,120,000
GST Tax Exemption	\$5,000,000	\$5,120,000

Estate	Exclusion Amount	Applicable Credit
2011	\$5,000,000	\$1,730,800
2012	\$5,120,000	\$1,772,800

## Mileage Rates

Purpose	2011		2012
	Jan. 1 – June 30	July 1 – Dec. 31	
Business	51¢ per mile	55.5¢ per mile	55.5¢ per mile
Medical	19¢ per mile	23.5¢ per mile	23¢ per mile
Charitable	14¢ per mile	14¢ per mile	14¢ per mile
Moving	19¢ per mile	23.5¢ per mile	23¢ per mile

## Individual Estimated Taxes

Individuals can base federal estimated tax payments on:

- 90% of current tax,
- 100% of prior year's tax, or
- 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
- Annualization exception
- No penalty if tax < \$1,000 or no tax liability in preceding taxable year

## IRAs

### CONTRIBUTION LIMITS - TRADITIONAL AND ROTH

	2011	2012
Regular	\$5,000	\$5,000
Catch-up*	\$1,000	\$1,000

\*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

### ROTH IRAS

#### MAGI Phaseout Range for Contributions to Roth IRAs

	2011	2012
Married Filing Jointly	\$169,000 – \$179,000	\$173,000 – \$183,000
Single, Head of Household	\$107,000 – \$122,000	\$110,000 – \$125,000
Married Filing Separately	\$0 – \$10,000	\$0 – \$10,000

### TRADITIONAL IRA DEDUCTIBILITY RULES

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2011	2012	
Single, Head of Household	No	Any amount	Any amount	Full Deduction
	Yes	\$56,000 or less \$56,001 - \$65,999 \$66,000 or more	\$58,000 or less \$58,001 - \$67,999 \$68,000 or more	Full Deduction Partial Deduction No Deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full Deduction
	Both spouses covered	\$90,000 or less \$90,001 - \$109,999 \$110,000 or more	\$92,000 or less \$92,001 - \$111,999 \$112,000 or more	Full Deduction Partial Deduction No Deduction
	One spouse covered: for covered spouse	\$90,000 or less \$90,001 - \$109,999 \$110,000 or more	\$92,000 or less \$92,001 - \$111,999 \$112,000 or more	Full Deduction Partial Deduction No Deduction
	One spouse covered: for non-covered spouse	\$169,000 or less \$169,001 - \$178,999 \$179,000 or more	\$173,000 or less \$173,001 - \$182,999 \$183,000 or more	Full Deduction Partial Deduction No Deduction
Married Filing Separately, lived together for any part of the year (if spouses lived separately throughout year, treated as single)	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction

## Qualified Plans

	2011	2012
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b))	\$16,500	\$17,000
Maximum elective deferral to SIMPLE IRA plans	\$11,500	\$11,500
Maximum elective deferral to 457 plans or exempt employers	\$16,500	\$17,000
Limit on annual additions to Keogh plans and SEP-IRAs	\$49,000	\$50,000
Limit on annual additions to defined contribution plans	\$49,000	\$50,000
Maximum annual compensation taken into account for contributions	\$245,000	\$250,000
Annual benefit limit under defined benefit plans	\$195,000	\$200,000
Threshold amount for definition of highly compensated employee	\$110,000	\$115,000
Threshold amount for definition of key employee in top-heavy plans	\$160,000	\$165,000
<b>Catch-up Contribution Limits*</b>		
401(k), 403(b), SARSEP and 457 plans	\$5,500	\$5,500
SIMPLE plans	\$2,500	\$2,500

\* Individuals who will be at least age 50 by the end of the year can make catch-up contributions.



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