



# 2012 TAX REFERENCE SHEET

## Information

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### Tax Brackets for 2012

Taxable income (i.e. includable income minus deductions and exemptions) between:

#### Married Filing Jointly

\$0 - \$17,400	\$0 + 10%
\$17,401 - \$70,700	\$1,740 + 15%
\$70,701 - \$142,700	\$9,735 + 25%
\$142,701 - \$217,450	\$27,735 + 28%
\$217,451 - \$388,350	\$48,665 + 33%
Over \$388,350	\$105,062 + 35%

#### Single

\$0 - \$8,700	\$0 + 10%
\$8,701 - \$35,350	\$870 + 15%
\$35,351 - \$85,650	\$4,867.50 + 25%
\$85,651 - \$178,650	\$17,442.50 + 28%
\$178,651 - \$388,350	\$43,482.50 + 33%
Over \$388,350	\$112,683.50 + 35%

#### Married, Filing Separately

\$0 - \$8,700	\$0 + 10%
\$8,701 - \$35,350	\$870 + 15%
\$35,351 - \$71,350	\$4,876.50 + 25%
\$71,351 - \$108,725	\$13,876.50 + 28%
\$108,726 - \$194,175	\$24,341.50 + 33%
Over \$194,175	\$52,539.67 + 35%

#### Single, Head of Household

\$0 - \$12,400	\$0 + 10%
\$12,401 - \$47,350	\$1,240 + 15%
\$47,351 - \$122,300	\$6,482.50 + 25%
\$122,301 - \$198,050	\$25,220 + 28%
\$198,051 - \$388,350	\$46,430 + 33%
Over \$388,350	\$109,228.67 + 35%

#### Estates and Trusts

\$0-\$2,400	\$0 + 15%
\$2,401-\$5,600	\$360 + 25%
\$5,601-\$8,500	\$1,160 + 28%
\$8,501-\$11,650	\$1,972 + 33%
Over \$11,650	\$3,011.17 + 35%

#### Corporations

\$0-\$50,000	\$0 + 15%
\$50,001-\$75,000	\$7,500.15 + 25%
\$75,001-\$100,000	\$13,750.15 + 34%
\$100,001-\$335,000	\$22,250.15 + 39%
\$335,001-\$18,333,333	\$113,900.15 + 34-38%
Over \$18,333,333	\$6,953,266.31 + 35%

### Standard Deduction

Married, Filing Jointly	\$11,900
Single	\$5,950
Married, Filing Separately	\$5,950
Head of Household	\$8,700
Blind or over 65 add \$1,150 if married; \$1,450 if single or head of household	

### Itemized Ded. & Personal Expt. Begin Phase-out

In 2012, taxpayer with AGI above certain amount won't lose part of deduction for personal exemptions/itemized deductions. Congress may reinstate; see IRS.gov for changes.

Personal Exemption: \$3,800

### Alternative Min. Tax Exempt. Amt (2011)

Married, filing jointly	\$74,450
Single, HOH	\$48,450
Married, filing separately	\$37,225

Kiddie Tax Exemption: \$1,900

### Long-term Capital Gains And Qualified Dividend Rates

10% & 15% brackets	0%
Higher brackets	15%
Capital gains on collectibles	28%
Unrecaptured 1250 depreciation	25%

### Pension Plan Limits

IRA contribution (under age 50): \$5,000  
 IRA contribution (age 50 and over): \$6,000

### Phaseout for deducting IRA contribution (qualified plan participant):

Joint:	\$92,000-\$112,000 AGI
Single or HoH:	\$58,000-\$68,000 AGI
Married, filing separately	\$0-\$10,000 AGI

### Phase-out for deducting spousal IRA: \$173,000-\$183,000 AGI

### Phase-out of Roth contribution eligibility:

Joint:	\$173,000-\$183,000 MAGI
Single:	\$110,000-\$125,000 MAGI
Filing separate:	\$0-\$10,000 MAGI

### SEP contribution:

Up to 25% of compensation, limit \$50,000  
 Compensation to participate in SEP \$550

### SIMPLE elective deferral

Under 50:	\$11,500
50 & over:	\$14,000

### 401(k), 403(b)\*, 457 & SARSEP elective deferral, under 50: \$17,600

### 401(k), 403(b)\*, 457 & SARSEP elective 50 & over: \$22,500

Annual defined contribution limit \$50,000

Annual benefit limit \$200,000

### Highly Compensated

Employee makes \$115,000

### Key employees in top-heavy

Plan makes \$165,000

### Annual compensation taken

Into account for qualified plans \$250,000

### Retirement Tax Credit

A percentage tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$57,500 MAGI
Head of household	Below \$43,125 MAGI
Single; Married, separate	Below \$28,750 MAGI

\*Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.

\*\*\*In last three years prior to year of retirement, 457 participant may be able to double elective deferrals. If done, the "catch-up" contribution may not be used.

### Gift and Estate Tax

Gift Tax Annual Exclusion: \$13,000

Highest Estate and Gift Tax Rate: 35%

Estate tax exemption \$5,120,000

Lifetime gift exemption \$5,120,000

GST exemption \$5,120,000

Annual exclusion for gifts

To noncitizen spouse \$139,000

### Education

#### Coverdell Education Savings Account

(aka Education IRA) Contribution: \$2,000

This Coverdale contribution eligibility is phased out:

Single:	\$95,000-\$110,000
Joint:	\$190,000-\$220,000

Student loan interest deduction limit: \$2,500

This interest deduction is phased out:

Single and HoH:	\$60,000-\$75,000 MAGI
Joint:	\$125,000-\$155,000 MAGI

Highest maximum deduction for current higher education expenses:

Single and HoH: AGI less than \$65,000 can deduct \$4,000; AGI between \$65,000 and \$80,000 can deduct \$2,000

Joint: AGI less than \$130,000 can deduct \$4,000; AGI between \$130,000 and \$160,000 can deduct \$2,000

Lifetime Learning credits phased out:

Single and HoH:	\$52,000-\$62,000
Joint:	\$104,000-\$124,000

American Opportunity Credit Up To \$2,500

phased out: Single and HoH \$80,000-\$90,000

Joint: \$160,000 - \$180,000

### Social Security

Maximum earning (during work years)

Subject to FICA tax: \$110,100

Income\* (in retirement) causing Social Security benefits to be taxable:

#### Married, Filing Jointly

50% taxable:	\$32,000 MAGI
85% taxable:	\$44,000 MAGI

#### Single

50% taxable:	\$25,000 MAGI
85% taxable:	\$34,000 MAGI

Loss of SS retirement benefits: In years prior to full retirement age, \$1 in benefits will be lost for every \$2 of earnings in excess of \$14,640. In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of \$38,880 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the mo. an ind. attains full retirement age.

2011 Filing Requirements for Most Taxpayers

IF your filing status is...	AND at the end of 2011 you were...*	THEN file a return if your gross income was at least...**
<b>single</b>	Under 65	\$9,500
	65 or older	\$10,950
<b>Married filing jointly***</b>	Under 65 (both spouses)	\$19,000
	65 or older (one spouse)	\$20,150
	65 or older (both spouses)	\$21,300
<b>Married filing separately</b>	Any age	\$3,700
<b>Head of household</b>	Under 65	\$12,200
	65 or older	\$13,650
<b>Qualifying widow(er) with dependent child</b>	Under 65	\$15,300
	65 or older	\$16,450

\* If you were born on January 1, 1946, you are considered to be age 65 at the end of 2011.  
 \*\* Gross income means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States even if you may exclude part or all of it). Do not include social security benefits unless you are married filing a separate return and you lived with your spouse at any time during 2011.  
 \*\*\* If you did not live with your spouse for the last 6 months of 2011, you may be considered unmarried.

**Michigan State Income Tax Changes For Retirement Benefits**

New Tax Provisions Effective January 2012.  
 First Tax Filing in 2013.  
 Three Tier Pension Tax - Age of oldest filer controls the tier of the return.

**Born before 1946:**

- No change in the treatment of retirement or pension income.
- Public pensions and Social Security income completely exempt from taxation.
- Private pensions would continue to be exempt from tax, \$45,120 for single filers and \$90,240 for joint filers.

**Born between 1946 and 1952:**

- Eliminate the current exemptions for public and private pensions and replace with an age dependent senior exemption of \$20,000/\$40,000.
- Under age 67:
  - Taxpayer would receive an exemption against retirement income equal to \$20,000/\$40,000.
  - Social Security would be exempt from taxation.
  - Retirement income includes public pensions, private pensions, 401(k)s and IRAs.
  - Earned income would be fully taxed at the cur-

rent income tax rate.

- Upon turning 67, the \$20,000/\$40,000 exemption expands to all income, including earned income.
- Disqualified from the \$20,000/\$40,000 exemption if "Total Household Resources are above \$75,000/\$150,000
- "Total Household Resources" means all income received by all persons of a household in a tax year while members of a household.
- Seniors with an Armed Forces or Railroad Pension would see a reduction in their \$20,000/\$40,000 exemptions.

**Born after 1952:**

- No pension exemptions until age 67. All income is taxed as regular income, minus the personal exemption of \$3,700.
- At age 67, must choose between the \$20,000/\$40,000 exemption against all income or the personal exemption (\$3,700) plus exemption of Social Security income.
- Disqualified from the \$20,000/\$40,000 exemption if "Total Household Resources" are above \$75,000/\$150,000.

*Current as of 2/1/07. Subject to legislative changes. Not intended to be legal or tax advice. Consult a qualified tax advisor regarding specific circumstances.*