

# SMALL BUSINESS EDITION

## ◆ 2010 TAX YEAR ◆

### C Corporation Income Tax Rate Schedule

Form 1120

\$ 0	to	50,000	×	15%	minus	\$ 0.00	=	Tax
50,001	to	75,000	×	25%	minus	5,000.00	=	Tax
75,001	to	100,000	×	34%	minus	11,750.00	=	Tax
100,001	to	335,000	×	39%	minus	16,750.00	=	Tax
335,001	to	10,000,000	×	34%	minus	0.00	=	Tax
10,000,001	to	15,000,000	×	35%	minus	100,000.00	=	Tax
15,000,001	to	18,333,333	×	38%	minus	550,000.00	=	Tax
18,333,334	and over		×	35%	minus	0.00	=	Tax

### 2010 Form 1041

Federal Tax Rate Schedule

\$ 0	to	2,300	×	15%	minus	\$ 0.00	=	Tax
2,301	to	5,350	×	25%	minus	230.00	=	Tax
5,351	to	8,200	×	28%	minus	390.50	=	Tax
8,201	to	11,200	×	33%	minus	800.50	=	Tax
11,201	and over		×	35%	minus	1,024.50	=	Tax

### 2010 Gift Tax Exclusion

Annual Exclusion for Gifts ..... \$13,000

Gift Tax Exclusion	Year of Death	Exclusion	Credit Against Tax
2010		\$1,000,000	\$ 330,800

### 2010 Social Security and Medicare Highlights

Social Security benefits increase ..... 0.00%

Maximum Earnings Subject to:

Social Security tax ..... \$106,800.00  
 Medicare tax ..... No Limit

Maximum Social Security Tax

Employee ..... \$ 6,621.60  
 Self-employed ..... \$13,243.20  
 Maximum Medicare tax ..... No Limit

Social Security Tax Rate

Employee ..... 6.20%  
 Self-employed ..... 12.40%

Medicare Tax Rate

Employee ..... 1.45%  
 Self-employed ..... 2.90%

### 2010 Section 179 Expense Limits

Regular §179 Limit ..... \$134,000  
 Investment Phaseout ..... \$530,000  
 SUV Limit ..... \$ 25,000

### 2010 Standard Mileage Rates

Depreciation ..... 23.0¢ Business ..... 50.0¢

### 2010 Pension Plan Limits

401(k)/403(b) Deferral Limits

Under age 50 ..... \$16,500  
 Age 50 and over ..... \$22,000

SIMPLE Deferral Limits

Under age 50 ..... \$11,500  
 Age 50 and over ..... \$14,000

Qualified Retirement Plan Limits

SEP (for employees) ..... 25%/ \$49,000  
 Defined Benefit Plans ..... \$195,000  
 Compensation Limit ..... \$245,000

### 2010 Health Savings Account Limits

Annual Contribution Limit

Self-only, under age 55 ..... \$3,050  
 Self-only, age 55 and older ..... \$4,050  
 Family, under age 55 ..... \$6,150  
 Family, age 55 and older ..... \$7,150

Minimum Annual Deductible

Self-only coverage ..... \$1,200  
 Family coverage ..... \$2,400

Maximum Annual Deductible and Out-of-Pocket Expense Limit

Self-only coverage ..... \$5,950  
 Family coverage ..... \$11,900

### 2010 Nondiscrimination Rules for Fringe Benefits

Key Employee Threshold... \$160,000 Highly Compensated..... \$110,000

### 2010 Social Security and Medicare Highlights

Social Security benefits increase ..... 0.00%	Medicare tax rate: Employee ..... 1.45% Self-employed ..... 2.90%
Maximum earnings subject to: Social Security tax ..... \$106,800 Medicare tax ..... No limit	Earnings needed for one quarter of coverage ... \$1,120
Maximum Social Security tax: Employee ..... \$ 6,622 Self-employed ..... \$13,243 Max. Medicare tax ..... No limit	Maximum earnings and still receive full Social Security benefits: Under full retirement age <sup>1</sup> . \$14,160 Year of full retirement age <sup>2</sup> ..... \$37,680 Full retirement age ..... No limit
Social Security tax rate: Employee ..... 6.20% Self-employed ..... 12.40%	

<sup>1</sup> \$1 in benefits is withheld for every \$2 in earnings above limit.

<sup>2</sup> Applies only to earnings for months prior to attaining full retirement age. \$1 in benefits is withheld for every \$3 in earnings above the limit.

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