

SOCIAL SECURITY BENEFITS

MAXIMUM ANNUAL EARNED INCOME LIMIT

	2011	2012
Between age 62 and full retirement age	\$14,160	\$14,640
Full retirement age*	No Limit	No Limit

*Full retirement age is: 66 if born in 1943 - 1954

TAXABLE BENEFITS

Social Security received is taxable when modified AGI without Social Security, plus half of Social Security received exceeds these base amounts:

	2011 (50%)	2011 (85%)
Married filing jointly	\$32,001-\$44,000	\$44,001+
Single/Head of household	\$25,001-\$34,000	\$34,001+
Married filing separately	\$0	\$0

Medicare Premium: \$ 96.40* / month - 2011 [new enrollees - \$115.40*]
\$99.90* / month - 2012

* Increases for beneficiaries with higher income levels

DEPRECIATION

	2011	2012
Section 179 Deduction (other than real property)	\$500,000	\$139,000
Section 179 Qualifying (real property)	\$250,000	\$0
Phase-out threshold	\$2,000,000	\$560,000

BONUS DEPRECIATION on new equipment.

	2011	2012
	100%	50%

36-MONTH ASSETS (Straight-line)

Most software

3-YEAR ASSETS (200% DB)

Dies, molds, small tools, certain horses

5-YEAR ASSETS (200% DB)

Autos, light/heavy-duty trucks, computers, typewriters, copiers, medical equipment, construction equipment, oil and gas drilling equipment, private aircraft, some manufacturing equipment

7-YEAR ASSETS (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

27.5-YEAR ASSETS (Straight-line)

Rental houses, apartments, low-income housing

39-YEAR ASSETS (Straight-line)

Nonresidential buildings

ANNUAL RECOVERY

Percent of Original Depreciation Basis Under 200% DB Method

(Not applicable for mid-quarter convention or short tax years)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

LUXURY AUTOMOBILES

Maximum regular depreciation deduction for cars purchased:

	2008*	2009*	2010*	2011*
1st year	\$2,960	\$2,960	\$3,060	\$3,060
2nd year	\$4,800	\$4,800	\$4,900	\$4,900
3rd year	\$2,850	\$2,850	\$2,950	\$2,950
Each succeeding year	up to \$1,775	up to \$1,775	up to \$1,775	up to \$1,775

NOTE: Trucks and vans have different limits

*2008, 2009, 2010 and 2011 can take additional \$8,000 bonus depreciation in first year for qualifying vehicle.

2011 AND 2012 CORPORATE INCOME TAX RATES

REGULAR TAX - FEDERAL

Base Taxable Income	Tax on Base	% on Excess over Base
\$ 0	\$ 0	15%
\$ 50,000	\$ 7,500	25%
\$ 75,000	\$ 13,750	34%
\$ 100,000	\$ 22,250	39%*
\$ 335,000	\$ 113,900	34%
\$ 10,000,000	\$ 3,400,000	35%
\$ 15,000,000	\$ 5,150,000	38%**
OVER \$18,333,333	\$ 0	35%

*Reflects 5% surtax which phases out benefits of 15% and 25% rates

**34% rate phased out

CAPITAL GAINS TAX RATE

Same as regular tax rate

PERSONAL SERVICE CORPORATIONS

35% flat tax rate

ALTERNATIVE MINIMUM TAX (AMT) Tax rate 20%

Exemption amount \$40,000*

*Phased out for AMT income above \$150,000.

PERSONAL HOLDING COMPANIES Tax rate 15%

EMPLOYMENT TAX RATES

SOCIAL SECURITY TAXES

Employer/Employee	Tax Rate	Wage Base	Tax Rate	Wage Base
	2011	2011	2012	2012
FICA	6.2/4.2%	\$106,800	6.2%	\$110,100
Medicare	1.45%	No Limit	1.45%	No Limit

Self-Employed*	Tax Rate	Wage Base	Tax Rate	Wage Base
	2011	2011	2012	2012
FICA	10.4%	\$106,800	12.4%	\$110,100
Medicare	2.9%	No Limit	2.9%	No Limit

*Self-employed individuals receive a deduction of one-half the self-employed tax computed to arrive at adjusted gross income.

ESTATE AND GIFT TAX RATES

ESTATE TAX EXCLUSION

	Tax Base*	Tax Rate
2011	OVER \$5,000,000	35%
2012	OVER \$5,120,000	35%

*Tax base equals the FMV of all property that you have an interest in at death reduced by estate expenses, debts, and unlimited marital and charitable deductions.

Note: Ohio Estate Tax Exemption is \$ 338,333

ANNUAL GIFT TAX EXCLUSION

	2011	2012
Gifts per person	\$13,000	\$13,000
Joint gifts by spouse	\$26,000	\$26,000

Lifetime Gift Tax Exclusion - capped at \$5,000,000 for 2011 and \$5,120,000 for 2012.

NOTE: Tax information accurate as of print date 12/15/11.



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2011-2012

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2011 AND 2012 INDIVIDUAL INCOME TAX RATES

REGULAR TAX – FEDERAL

SINGLE

Base Taxable Income	Tax on Base	% on Excess over Base
\$ 0 (2011)	\$ 0	10%
\$ 8,500	\$ 850	15%
\$ 34,500	\$ 4,750	25%
\$ 83,600	\$ 17,025	28%
\$ 174,400	\$ 42,449	33%
\$ 379,150	\$ 110,017	35%
\$ 0 (2012)	\$ 0	10%
\$ 8,700	\$ 870	15%
\$ 35,350	\$ 4,868	25%
\$ 85,650	\$ 17,443	28%
\$ 178,650	\$ 43,483	33%
\$ 388,350	\$ 112,684	35%

MARRIED TAXPAYERS FILING JOINTLY OR SURVIVING SPOUSES

Base Taxable Income	Tax on Base	% on Excess over Base
\$ 0 (2011)	\$ 0	10%
\$ 17,000	\$ 1,700	15%
\$ 69,000	\$ 9,500	25%
\$ 139,350	\$ 27,088	28%
\$ 212,300	\$ 47,514	33%
\$ 379,150	\$ 102,574	35%
\$ 0 (2012)	\$ 0	10%
\$ 17,400	\$ 1,740	15%
\$ 70,700	\$ 9,735	25%
\$ 142,700	\$ 27,735	28%
\$ 217,450	\$ 48,665	33%
\$ 388,350	\$ 105,062	35%

MARRIED TAXPAYERS FILING SEPARATELY

Base Taxable Income	Tax on Base	% on Excess over Base
\$ 0 (2011)	\$ 0	10%
\$ 8,500	\$ 850	15%
\$ 34,500	\$ 4,750	25%
\$ 69,675	\$ 13,544	28%
\$ 106,150	\$ 23,757	33%
\$ 189,575	\$ 51,287	35%
\$ 0 (2012)	\$ 0	10%
\$ 8,700	\$ 870	15%
\$ 35,350	\$ 4,868	25%
\$ 71,350	\$ 13,868	28%
\$ 108,725	\$ 24,333	33%
\$ 194,175	\$ 52,531	35%

HEAD OF HOUSEHOLD

Base Taxable Income	Tax on Base	% on Excess over Base
\$ 0 (2011)	\$ 0	10%
\$ 12,150	\$ 1,215	15%
\$ 46,250	\$ 6,330	25%
\$ 119,400	\$ 24,618	28%
\$ 193,350	\$ 45,324	33%
\$ 379,150	\$ 106,638	35%
\$ 0 (2012)	\$ 0	10%
\$ 12,400	\$ 1,240	15%
\$ 47,350	\$ 6,483	25%
\$ 122,300	\$ 25,220	28%
\$ 198,050	\$ 46,430	33%
\$ 388,350	\$ 109,229	35%

INDIVIDUALS

STANDARD DEDUCTION*	2011	2012
Single	\$ 5,800	\$ 5,950
Married filing jointly	\$ 11,600	\$ 11,900
Married filing separately	\$ 5,800	\$ 5,950
Head of household	\$ 8,500	\$ 8,700
Unmarried taxpayers (dependent)	\$ 950	\$ 950
Additional - Blind or Elderly		
Single and head of household	\$ 1,450	\$ 1,450
Married	\$ 1,150	\$ 1,150
AGI - Itemized deduction threshold	\$ N/A	\$ N/A

*You are allowed to deduct the greater of your standard deduction or your itemized deductions.
**Threshold for application of "Kiddie Tax" is \$1,900 for 2011 and 2012.

PERSONAL EXEMPTIONS	2011	2012
Deductions for each taxpayer, spouse, and dependent	\$ 3,700	\$ 3,800

ALTERNATIVE MINIMUM TAX (AMT) - 2011

Tax Rate	26% to \$ 175,000
	28% over \$ 175,000

EXEMPTION AMOUNT

(Phased out for upper bracket taxpayers)

	2011	2012
Single	\$ 48,450	\$ 33,750
Head of household	\$ 48,450	\$ 33,750
Married filing jointly	\$ 74,450	\$ 45,000
Married filing separately	\$ 37,225	\$ 22,500

CAPITAL GAINS – 2011 and 2012

Holding Period	Top Capital Gain Rate
12 months or less	35%
*More than 12 months	15%
Sale of real property to extent of depreciation taken	25%
Collectibles and certain small business stock	28%

*0% for qualifying taxpayers in the 15% or less brackets.

2012 ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties, if your AGI is > \$150,000 you are required to pay in through withholding or estimated tax payments the lesser of:

- 110% of prior year tax liability, or
- 90% of current year tax liability.

2012 estimated tax payments for individuals are due by:

April 17	September 17
June 15	January 15, 2013

STANDARD MILEAGE DEDUCTIONS

Use	1/1- 6/30/2011	7/1/11	1/1/12	
Business	\$0.51	\$0.555	\$0.555	per mile
Charitable	\$0.14	\$0.14	\$0.14	per mile
Medical	\$0.19	\$0.235	\$0.23	per mile
Moving	\$0.19	\$0.235	\$0.23	per mile

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

RETIREMENT PLAN CONTRIBUTION LIMITS

INDIVIDUAL LIMITATIONS

401(K) CONTRIBUTIONS:	2011	2012
*plus \$5,500 for taxpayers 50+	\$16,500	\$17,000

SIMPLE PLANS: 2011 and 2012 -

\$11,500 plus \$2,500 for taxpayers 50+

PROFIT SHARING PLANS *

	2011	2012
Corporate	25% up to \$49,000	\$50,000
Keogh**	20% up to \$49,000	\$50,000
SEP (SE person)**	20% up to \$49,000	\$50,000
SEP (Employee)	25% up to \$49,000	\$50,000

MONEY PURCHASE PENSION PLANS*

Corporate	25% up to \$49,000	\$50,000
Keogh	20% up to \$49,000	\$50,000

*Percentage is applied to compensation.

**Of net self-employed income after self-employment tax deduction.

Maximum compensation limit \$250,000

REGULAR IRA

NOT A PARTICIPANT IN ANOTHER PLAN \$5,000 max. deduction plus additional \$1,000 for taxpayers 50+ (Plus up to same amounts for non-working spouse); for 2012 \$5,000 (+\$1,000 for 50+)

ACTIVE PARTICIPANT IN ANOTHER PLAN – 2011

Married AGI	Single AGI	Deduction is:
\$0-\$90,000	\$0-\$56,000	\$5,000 (+\$1,000 for 50+)
\$90,001-\$109,999	\$56,001-\$65,999	Partial deduction
≥\$110,000	≥\$66,000	No deduction

*Maximum contribution for spouse who is not an active participant is phased out if couple's combined AGI is between \$169,000 and \$179,000.

NOTE: Contributions must be made before the filing date of the tax return, not including extensions.

ROTH IRA

ROTH IRA – 2011 and 2012 – Qualified distributions are tax-free

Non-deductible contributions – \$5,000 plus additional \$1,000 for taxpayers 50+

AGI Phase-outs:	2011	2012
Joint	\$169,000-\$179,000	\$173,000-\$183,000
Single	\$107,000-\$122,000	\$110,000-\$125,000

EDUCATION CREDITS

American Opportunity Credit (fka – Hope Credit)

2011 – up to \$2,500 credit per eligible student

2012 – up to \$2,500 credit per eligible student

Lifetime Learning Credit - up to \$2,000 credit per return.

NOTE: Special Rules Apply. There are income phase outs.

HEALTH SAVINGS ACCOUNTS (HSAs)

	2011		2012	
	Single	Family	Single	Family
Minimum annual deductible	\$1,200	\$2,400	\$1,200	\$2,400
Maximum annual contribution*	\$3,050	\$6,150	\$3,100	\$6,250
Out of pocket expense	\$5,950	\$11,900	\$6,050	\$12,100

*Additional \$1,000 contribution allowed for taxpayers 55+

STATE OF OHIO INCOME TAX TABLE

OHIO TAXABLE INCOME (2011 Personal Exemption - \$1,650)

\$ 0- 5,100	0.587% OF OHIO TAXABLE INCOME		
\$ 5,100- 10,200	\$ 29.94	PLUS 1.174%	OF EXCESS OVER \$5,100
\$ 10,200- 15,350	\$ 89.81	PLUS 2.348%	OF EXCESS OVER \$10,200
\$ 15,350- 20,450	\$ 210.73	PLUS 2.935%	OF EXCESS OVER \$15,350
\$ 20,450- 40,850	\$ 360.42	PLUS 3.521%	OF EXCESS OVER \$20,450
\$ 40,850- 81,650	\$ 1,078.70	PLUS 4.109%	OF EXCESS OVER \$40,850
\$ 81,650- 102,100	\$ 2,755.17	PLUS 4.695%	OF EXCESS OVER \$81,650
\$ 102,100- 204,200	\$ 3,715.30	PLUS 5.451%	OF EXCESS OVER \$102,100
OVER 204,200	\$ 9,280.77	PLUS 5.925%	OF EXCESS OVER \$204,200