

**Tobolsky & Wachslers CPAs, LLC**

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**2010 Tax Highlights**

<b>2010 Tax Rates</b>		<i>Single</i>	<i>MFJ</i>	<i>Head of Household</i>	<i>MFS</i>	<i>Estates &amp; Trusts</i>
	10%	<\$ 8,375	<\$ 16,750	<\$ 11,950	<\$ 8,375	
	15%	<\$ 34,000	<\$ 68,000	<\$ 45,550	<\$ 34,000	<\$ 2,300
	25%	<\$ 82,400	<\$ 137,300	<\$ 117,650	<\$ 68,650	<\$ 5,350
	28%	<\$ 171,850	<\$ 209,250	<\$ 190,550	<\$ 104,625	<\$ 8,200
	33%	<\$ 373,650	<\$ 373,650	<\$ 373,650	<\$ 186,825	<\$ 11,200
	35%	>\$ 373,650	>\$ 373,650	>\$ 373,650	>\$ 186,825	>\$ 11,200
<b>Standard Deductions</b>	Year <b>2010</b>	\$ 5,700	\$ 11,400	\$ 8,400	\$ 5,700	
<b>Dependent</b>			\$ 950	\$ 950		
<b>Additional Over 65 (1)</b>		\$ 1,400	\$ 1,100	\$ 1,400		
<b>Personal Exemption</b>	\$ 3,650	Single AGI	MFJ AGI	New Enrollee – Part B Medicare		
<b>Medicare Part B Premiums</b>	\$ 96.40	<\$ 85,000	<\$ 170,000	\$ 110.50		
	\$154.70	<\$ 107,000	<\$ 214,000			
	\$221.00	<\$ 160,000	<\$ 320,000			
<b>Social Security</b>	<b>2010</b> Wage Limits – first <b>\$106,800</b> of compensation; <b>full retirement age</b> – born between 1943-1954 (66 yrs) Earnings under full retirement age \$14,160 or \$1,180 monthly; \$37,680 for months prior to 66 <sup>th</sup> birthday					
<b>Unemployment Benefits</b>	<b>2009 Federal</b> – first \$2,400 unemployment compensation is not taxable; <b>MASS</b> taxes entire amount					
<b>COBRA Benefits</b>	Up to 15 month COBRA premium subsidy (65%) also extended to workers who lose jobs first 2 months of 2010					
<b>First Time Homebuyer Credit</b>	Purchase from <b>04/08/08 – 12/31/08</b> - \$7,500 recapture of credit over 15 years starting with 2010 taxes Purchase from <b>01/01/09 – 11/06/09</b> - \$8,000 first time home buyer credit Purchase from <b>11/07/09 – 04/30/10</b> - \$8,000 first time home buyer; otherwise (5 of 8 years) \$6,500 <b>2010 phase-out</b> MFJ < \$170,000, Single < \$95,000					
<b>Transportation Fringe Benefit Exclusions</b>	<b>2009-2010</b> Transit pass – up to \$230 per month; <b>2009-2010</b> Bicycles – up to \$20 per month Qualified parking up to \$120 per month ( <b>1/1/09-2/16/09</b> ) \$230 per month ( <b>2/17/09-12/31/10</b> )					
<b>2010 Capital Gains</b>	Long-term capital gains and qualified dividends are <b>Tax Free</b> for 10% or 15% Income Brackets					
<b>Debt Discharge</b>	If the debtor is insolvent, the amount discharged is <b>not</b> included in gross income (up to the amount of insolvency)					
<b>Retirement Plans</b>	For self-employed; 25% of compensation (20% after calculation)					
401(k)	Pre-tax contribution, \$16,500 maximum for year; \$22,000 if over 50 years old					
Roth 401(k)	After-tax contribution; dollar amount same as 401(k) above					
Simple IRA	\$11,500 maximum contribution for year; \$14,000 if over 50 years old					
Traditional & Roth IRA	\$5,000 maximum contribution for year; plus \$1,000 catch-up contribution if over 50 years old					
Phase Out:	Traditional – One Spouse in Plan	MFJ	<b>2009</b> \$166,000- \$176,000	<b>2010</b> \$167,000- \$ 177,000		
		Single	<b>2009</b> \$ 55,000- \$ 65,000	<b>2010</b> \$ 56,000- \$ 66,000		
	Traditional – Two Spouses in Plan	MFJ	<b>2009</b> \$ 89,000- \$109,000	<b>2010</b> \$ 89,000- \$ 109,000		
	Minimum contribution of \$200 if phase-out lowers contribution to <\$200 but > greater than \$0					
	No contribution for individual age > 70 ½					
<b>Rollover to ROTH IRA</b>	<b>ROTH Conversion available regardless of income or tax filing status</b> <b>Spread tax impact over the next two years (filing years 2011 and 2012)</b>					
<b>2010 Education</b>	100% of up to \$2,000 qualified higher-education tuition and related expenses plus 25% of the next \$2,000 of expenses not to exceed \$2,500 for 4 years post-secondary education for <b>each</b> eligible student; <b>2010 phase out</b> MFJ \$160,000-\$180,000; Single \$80,000-\$90,000					
Hope Credit						
Lifetime Learning Credit	20% of up to \$10,000 qualified tuition and related expenses; \$2,000 Maximum Credit; <b>2010 phase out</b> MFJ \$100,000-\$120,000; Single \$50,000-\$60,000					
Coverdell CESA	\$2,000 per beneficiary under age 18 – can be used for private elementary and high school education					
Phase Out	MFJ \$190,000- \$220,000; Single \$95,000-\$110,000; corporate contribution added to employee's wages					
529 Plans	For contributions – no adjusted gross income limit, no beneficiary age limit					
Education Loan Interest	\$2,500 Limit (no time limit for student loan); <b>2010 phase out</b> MFJ \$120,000-\$150,000; Single \$60,000-\$75,000					
<b>Energy Property Credit</b>	Purchases from 1/1/09-12/31/10; 30% of energy property; \$1,500 credit limit					
<b>MA Senior Circuit Breaker</b>	\$960; Total income not to exceed MFJ \$77,000; Single \$51,000					
<b>Gift Tax Exclusion</b>	\$13,000 per person					
<b>Estate Tax Exclusion</b>	<b>2009</b> Federal - \$3,500,000; MA - \$1,000,000					
<b>Automobile Mileage</b>	<i>Dates</i>	<i>Business</i>	<i>Medical / Moving</i>	<i>Charity</i>		
	As of 1/1/09	55 cents	24.0 cents	14 cents		
	As of 1/1/10	50 cents	16.5 cents	14 cents		

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The 2010 Tax Season is Here!!!

2009 Individual Tax Returns are Due Thursday, April 15, 2010

Our tax team consists of Millie Tobolsky, CPA, MST, CFP™  
Irene Wachslers, CPA, MBA and Philip Wachslers, Enrolled Agent

We look forward to giving you the same personalized service you have received in the past!

Thank you for your patronage! Referrals are always appreciated!

Tax returns can be prepared by U.S. Mail, our secured online server,  
in our Home / Office, at Your Home or Your Business

Please call to set up an appointment at your earliest convenience

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For a 2009 Tax Questionnaire, please call or visit our website [www.milliecpa.com](http://www.milliecpa.com)

Please have available Form MA 1099-HC or your health insurance card

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**Directions to Home / Office at 13 Worcester Road Sharon MA (Back Entrance)**

**From North:**

I-93 South (Expressway)  
Merge onto I-95 South via Exit 1 (Providence, RI)  
Take Mechanic Street (Exit 8) Foxboro  
Take ramp toward South Main St., Sharon  
At blinking yellow light, turn right onto Webb Rd. (1.8 miles)  
Turn left onto Worcester Rd.

**Don't forget to sign up for  
our monthly e-newsletter  
which contains pertinent  
tax updates and tips.**

**Call us or sign up at  
[www.milliecpa.com](http://www.milliecpa.com)**

**From Route 27:** Route 27 to Center of Sharon  
**From Stoughton:** At lights, go straight (North / South Main St. toward Foxboro)  
**From Walpole:** At lights, take right (North / South Main St. toward Foxboro)  
Follow South Main St. past railroad tracks  
Arrive at Sharon Heights Shopping Center  
At blinking yellow light, turn left onto webb Rd.  
Turn left onto Worcester Rd.

**Our other services include:**

- Tax services for individuals, corporations, estates, LLCs, trusts, partnerships & nonprofit organizations
- Audits, reviews, compilations & agreed-upon procedures for nonprofit organizations & Film Tax Credits
- Section 181 Tax Services
- Resolution of IRS, Massachusetts and other state tax notices
- Accounting / Bookkeeping
- Financial planning