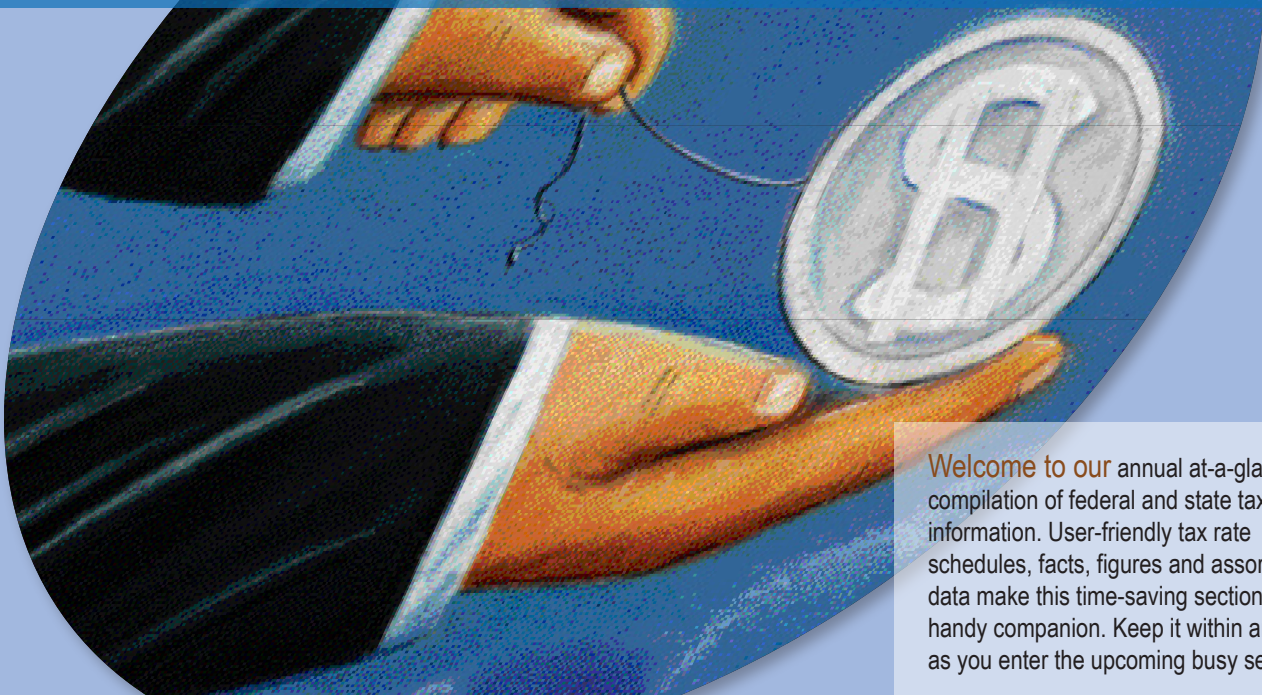


AS OF OCT. 19, 2008

FAST TAX FACTS 2008

The online version of Fast Tax Facts will be updated for tax law changes. Check it out at www.calcpa.org/fasttaxfacts.



Welcome to our annual at-a-glance compilation of federal and state tax information. User-friendly tax rate schedules, facts, figures and assorted data make this time-saving section a handy companion. Keep it within arm's reach as you enter the upcoming busy season.

special thanks to: The CalCPA Committee on Taxation;

John DiCarlo, CPA; Ann Ngo, CPA; Rebecca Christiansen; and the FTB for compiling this information.

2008 TAX DATA SCHEDULE

	2008 Federal	2008 California		
Standard Deductions			California Exemption Credits	
Single	\$5,450	\$3,692	Single, Married Filing Separately, Head of Household	\$ 99
Married Filing Jointly, Surviving Spouse	10,900	7,384	Married Filing Jointly, Surviving Spouse	198
Married Filing Separately	5,450	3,692	Dependent	309
Head of Household	8,000	7,384	Blind or Age 65 and Older	99
Additional for Age 65 and Older or Blind—Married	1,050		Senior Head of Household Credit	
Additional for Age 65 and Older or Blind—Unmarried and not a Surviving Spouse (per individual for each situation, age or blind)	1,350		2% of California taxable income, maximum California AGI of \$63,831 with maximum credit of	\$1,203
Additional Real Property Tax Standard Deduction - Married (2008 Only)	1,000		Joint Custody Head of Household Credit and Dependent Parent Credit	
Additional Real Property Tax Standard Deduction - Unmarried (2008 Only)	500		Each is 30% of net tax with maximum credit of	\$393
Taxpayer Claimed as a Dependent	900	850	Child and Dependent Care Credit	
Personal or Dependent Exemption (Social Security Number required)	3,500		Percentage of federal credit for California AGI limits	
			\$0-40,000	50%
			40,001-70,000	43%



FASTTAXFACTS2008

WWW.CALCPA.ORG/FASTTAXFACTS

2008 TAX DATA SCHEDULE

70,001–100,000		34%
100,001 or more		0%
	2008 Federal	2008 California
California Renter's Credit		
Married Filing Jointly, Head of Household, Surviving Spouse if AGI is below \$69,872		\$120
Single or Married Filing Separately if AGI is below \$34,936		60
IRC Section 179 Deduction	\$250,000	\$25,000
Beginning of Personal Exemption Phaseout Range—Based on Federal AGI		
Single	\$159,950	\$163,187
Married Filing Jointly, Surviving Spouse	239,950	326,379
Married Filing Separately	119,975	163,187
Head of Household	199,950	244,785
Beginning of Itemized Deduction Phaseout Range—Based on Federal AGI		
Single	\$159,950	\$163,187
Married Filing Jointly, Surviving Spouse	159,950	326,379
Married Filing Separately	79,975	163,187
Head of Household	159,950	244,785
Rate Reduced over federal AGI limits	3%	6%
Schedule A Medical Deduction		
Based on federal AGI	7.5%	7.5%
Schedule A Miscellaneous Deduction		
Based on federal AGI	2%	2%
	2008 Federal	2008 California
Alternative Minimum Tax (AMT) Rate		
AMTI Less Exemption up to \$175,000	26%	
AMTI Less Exemption over \$175,000 (\$87,500 if Married Filing Separately)	28%	
AMTI Less Exemption		7%
AMT Exemption Amounts		
Married Filing Jointly, Surviving Spouse	\$69,950	\$80,017
Single, Head of Household	46,200	60,014
Married Filing Separately	34,975	40,007
Estate or Trust	22,500	40,007
AMT Exemption Phaseout Amounts		
Married Filing Jointly, Surviving Spouse	\$150,000	\$300,065
Single, Head of Household	112,500	225,050
Married Filing Separately, Estate or Trust	75,000	150,031
Self-Employed Health Insurance Premiums		
Adjustment for AGI, percentage of total qualifying health insurance premiums	100%	100%

Auto Standard Mileage Allowances

Business	.585	.585
Charity work—general	.14	.14
Medical or moving	.19	.19

U.S. Savings Bond Interest Exclusion Phaseout Based on Modified AGI

Joint Return, Surviving Spouse	\$100,650–130,650
All Other	67,100–82,100

California SDI

Federal tax deduction*	
Annual wage limit	\$86,698
Rate	0.80%
Tax	693.58

*Amounts paid to a voluntary program in lieu of the state programs are not deductible, but may be a credit on California return.

2008 FEDERAL TAX RATE SCHEDULE

Taxable Income Is Over	But Not Over	Pay	+	%	Of The Amount Over
Single					
\$0	\$8,025	\$0	10%		\$0
8,025	32,550	802.50	15%		8,025
32,550	78,850	4,481.25	25%		32,550
78,850	164,550	16,056.25	28%		78,850
164,550	357,700	40,052.25	33%		164,550
357,700	and more	103,791.75	35%		357,700
Head of Household					
\$0	\$11,450	\$0	10%		\$0
11,450	43,650	1,145.00	15%		11,450
43,650	112,650	5,975.00	25%		43,650
112,650	182,400	23,225.00	28%		112,650
182,400	357,700	42,755.00	33%		182,400
357,700	and more	100,604.00	35%		357,700
Married Filing Jointly or Qualifying widow(er)					
\$0	\$16,050	\$0	10%		\$0
16,050	65,100	1,605.00	15%		16,050
65,100	131,450	8,962.50	25%		65,100
131,450	200,300	25,550.00	28%		131,450
200,300	357,700	44,828.00	33%		200,300
357,700	and more	96,770.00	35%		357,700
Married Filing Separately					
\$0	\$8,025	\$0	10%		\$0
8,025	32,550	802.50	15%		8,025
32,550	65,725	4,481.25	25%		32,550
65,725	100,150	12,775.00	28%		65,725
100,150	178,850	22,414.00	33%		100,150
178,850	and more	48,385.00	35%		178,850



FASTTAXFACTS2008

WWW.CALCPA.ORG/FASTTAXFACTS

Estate or Nongrantor Trust

\$0	\$2,200	\$0	15%	\$0
2,200	5,150	330.00	25%	2,200
5,150	7,850	1,067.50	28%	5,150
7,850	10,700	1,823.50	33%	7,850
10,700	and more	2,764.00	35%	10,700

2008 STATE TAX RATE SCHEDULE

Single, Married Filing Separately, Fiduciary Return

\$0	\$7,168	\$0	1.0%	\$0
7,168	16,994	71.68	2.0%	7,168
16,994	26,821	268.20	4.0%	16,994
26,821	37,233	661.28	6.0%	26,821
37,233	47,055	1,286.00	8.0%	37,233
47,055	and more	2,071.76	9.3%	47,055

An additional 1% surcharge applies to taxable income in excess of \$1 million.

Married Filing Jointly or Qualifying Widow(er)

\$0	\$14,336	\$0	1.0%	\$0
14,336	33,988	143.36	2.0%	14,336
33,988	53,642	536.40	4.0%	33,988
53,642	74,466	1,332.56	6.0%	53,642
74,466	94,110	2,572.00	8.0%	74,466
94,110	and more	4,143.52	9.3%	94,110

An additional 1% surcharge applies to taxable income in excess of \$1 million.

Head of Household

\$0	\$14,345	\$0	1.0%	\$0
14,345	33,989	143.45	2.0%	14,345
33,989	43,814	536.33	4.0%	33,989
43,814	54,225	929.33	6.0%	43,814
54,225	64,050	1,553.99	8.0%	54,225
64,050	and more	2,339.99	9.3%	64,050

An additional 1% surcharge applies to taxable income in excess of \$1 million.

LUXURY AUTO LIMIT

Taxpayer leasing so-called "luxury" autos needs to add back an amount to income to offset the full deduction of the lease payments.

Year	First	Second	Third	Thereafter
2008	10,960*	4,800	2,850	1,775
2007	3,060	4,900	2,850	1,775

* Credit available. Info at <http://rta.cpa.blogs.com/reedinsley/2008/03/2008-auto-depre.html>

SOCIAL SECURITY AND MEDICARE TAXES

	2007	2008
Social Security Tax		
Maximum wage base	\$97,500	\$102,000
Social Security rate—employee	6.2%	6.2%
Social Security rate—self-employed	12.4%	12.4%

2007 2008

Medicare Tax

Maximum wage base	Unlimited	Unlimited
Medicare rate—employee	1.45%	1.45%
Medicare rate—self-employed	2.9%	2.9%

Earned Income Ceilings for Social Security Benefits

Under full retirement age	\$12,960	\$13,560
Full retirement age	Unlimited	Unlimited
Monthly Medicare Part B Premium	\$93.50	\$96.40

RETIREMENT PLAN LIMITATIONS

	2007	2008
Maximum 401(k) or 403(b) Deferral	\$15,500	\$15,500
Maximum Defined Contribution Plan Contribution	45,000	46,000
Maximum Annual Benefit for Defined Benefit Plans	180,000	185,000
Annual Compensation Limit for Computing Plan Benefits	225,000	230,000
Annual Compensation Limit for the Definition of Highly Compensated Employee IRC Section 414(q)	100,000	105,000
Compensation Minimum for SEP plan	500	500
Maximum Contribution for SIMPLE plan	10,500	10,500
Catch-up Contribution for 401(k) or 403(b) for taxpayers age 50 and older	5,000	5,000
Catch-up Contribution for SIMPLE for taxpayers age 50 and older	2,500	2,500

Key Employee for Top Heavy Purposes:

• Officers Earning Over	\$145,000	\$150,000
• A 5-percent Owner or a 1-percent Owner Earning Over	150,000	150,000

TRADITIONAL AND ROTH IRAs

	2007	2008
Contribution Limit	\$4,000	\$5,000
Catch-up Contribution age 50 and older	1,000	1,000

IRA Deduction Phaseout for Active Participants

Single	\$53,000–63,000
Married Filing Jointly	85,000–105,000

IRA Deduction Phaseout for Spousal Contributions

Married Filing Jointly	159,000–169,000
------------------------	-----------------



Need tax news?

> Access our tax news archives at www.calcpa.org/californiacpa.

FASTTAXFACTS2008

WWW.CALCPA.ORG/FASTTAXFACTS

Roth IRA Contribution Phaseout

Single	\$101,000–116,000
Married Filing Jointly	159,000–169,000
Married Filing Separately	0–10,000

Roth IRA Conversion Phaseout

Single	\$100,000
Married Filing Jointly	100,000
Married Filing Separately	Ineligible

IRA & PENSION CREDIT

Tax Credit Rate applied to maximum contribution of \$2,000 Based on AGI for various pension/IRA plans

Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0–32,000	\$0–24,000	\$0–16,000	50%
32,001–34,500	24,001–25,875	16,001–17,250	20%
34,501–53,000	25,876–39,750	17,251–26,500	10%
Over 53,000	Over 39,750	Over 26,500	0%

ESTATE AND GIFT TAX

Phaseout and Repeal of Estate and Generation-Skipping Transfer Taxes

Calendar Year	Estate/GST tax transfer exemption	Highest estate and gift tax rate
2008	2 million	45%
2009	3.5 million	45%
2010	Not applicable, taxes repealed	Top individual rate under bill (gift tax only)

Gift tax:

Annual Gift Limitation of \$12,000 for 2008.

Lifetime Exemption of \$1 million after Dec. 31, 2001.

EDUCATION-RELATED TAX BENEFITS

Coverdell Educational Savings Accounts

Annual Contribution Limit	\$2,000
Contribution Phaseout based on modified AGI	
Single	\$95,000–110,000
Married Filing Jointly	190,000–220,000

Student Loan Interest Deduction

Maximum interest deduction	\$2,500
Deduction phaseout based on modified AGI	
Single	\$55,000–70,000
Married Filing Jointly	115,000–145,000

IMPORTANT PHONE NUMBERS

Tax Practitioner Hotlines

IRS Priority Service	(866) 860-4259
FTB	(916) 845-7057
FTB Fax	(916) 845-6377
EDD	(888) 745-3886
BOE	(800) 401-3661

Application for Taxpayer ID Number

Federal Form SS-4	(800) 829-4933
Federal Form SS-4 Fax	(859) 669-5760
Federal Online:	www.irs.gov
EDD Form DE 1	(916) 654-8706
EDD Form DE 1 Fax	(916) 654-9211

Fast Tax Facts is designed to provide general guidance to CalCPA members. CalCPA is not engaged in rendering accounting or other professional advice. Numbers in Fast Tax Facts are subject to change.

IN OVER YOUR HEAD?



"I like the feeling that your support personnel give me every time I call. I don't expect a true desire to help me and a true interest in my difficulties. My office is small and

I am not a very computer knowledgeable manager, but you guys have always taken the extra time to teach and help me. Thank you, and continue with your good service and product."

GILLY FROM NEW JERSEY
Customer for 10 years

"The support is **OUTSTANDING!!!!**"
HENRY, CPA FROM CONNECTICUT
Customer for 2 years

I have used Drake for 17 years and shopped around, but I renew every year. For what they offer, the price is amazing..

WENDY FROM INDIANA
Customer for 17 years



SEE DRAKE IN ACTION!
ATTEND A WEBINAR AT
DRAKESOFTWARE.COM

OVER 26,000 CUSTOMERS HAVE TAKEN THE PLUNGE.

DRAKE TO THE RESCUE!

Visit us at DRAKESOFTWARE.COM • Toll-Free 866.670.8479