

Inflation Adjusted Numbers for Tax Years
2007 - 2008

Fundamentals	2007	2008	Adjusted
EE Bond Phaseout to Exclude Interest Income			
• Single	\$63,100-\$78,100	\$67,100-\$82,100	YES
• MFJ	\$94,700-\$124,700	\$100,650-\$130,650	YES
• Limits	None	None	YES
Student Loan Interest Deduction			
• Single (in 1,000s)	\$50-65	\$55-\$70	YES
• MFJ (in 1,000s)	\$105-135	\$115-\$145	YES
• Limits	\$2,500	\$2,500	
Lifetime Learning Credit			
• Single	\$45-\$55	\$48-\$58	YES
• MFJ	\$90-\$110	\$96-\$116	YES
• Limits	\$2,000	\$2,000	
Hope Tax Credit			
• Single (in 1,000s)	\$45-\$55	\$48-\$58	YES
• MFJ (1,000)s	\$90-\$110	\$96-\$116	YES
• Limits	\$1,650	\$1,800	YES
• Benefit	100% of 1st \$1,100	100% of 1st \$1,200	YES
	50% of 2nd \$1,100	50% of 2nd \$1, 200	YES

Insurance	2007	2008	Adjusted
Medicare Part A Deductible / per benefit period	\$992	\$1,024	YES
Medicare Coinsurance (insured pays)			
• for days 61-90 / benefit period	\$248 per day	\$256 per day	YES
• for days 91-150 (lifetime reserve period)	\$496 per day	\$512 per day	YES
Medicare skilled nursing facility coinsurance			
• for days 21-100 / benefit period	\$124 per day	\$128 per day	YES
Medicare Part B Premiums	\$93.50 per month	\$96.40 per month	YES
Medicare Part B Deductible	\$131 per year	\$135 per year	YES

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Tax	2007	2008	Adjusted
Election to Expense Assets	\$112,000	\$128,000	YES
Annual limitations	\$450,000	\$510,000	
Kiddie Tax			
• Unearned income above this amount is taxed at the parents rate	\$1,700	\$1,800	YES
Taxable Income Tax Credits			
Phase-out of credit begins when earned income (or AGI) exceeds this amount with one qualifying child	\$17,390	\$18,740 (MFJ)	YES
Credit amount equals 7.65% x earned income up to this amount	\$5,590	\$5,720	YES
Phase-out of credit begins when earned income (or AGI) exceeds this amount with no children	\$9,000	\$10,160 (MFJ)	YES
Personal & Dependency Exemptions-Basic Standard Deduction			
• Single	\$5,350	\$5,450	YES
• MFJ	\$10,700	\$10,900	YES
• QW(er)	\$10,700	\$10,900	YES
• HH	\$7,850	\$8,000	YES
• Married filing separately	\$5,350	\$5,450	YES
Personal & Dependency Exemptions-Additional Standard Deduction			
• Single	\$1,300	\$1,350	YES
• MFJ	\$1,050	\$1,050	
• QW(er)	\$1,050	\$1,050	
• HH	\$1,300	\$1,350	YES
• MFS	\$1,300	\$1,350	YES
Gross Income Personal Exemption	\$3,400	\$3,500	YES
Taxpayer's AGI threshold amounts:			
• Single	\$156,400	\$159,950	YES
• MFJ	\$234,600	\$239,950	YES
• HH	\$195,500	\$199,950	YES
• MFS	\$117,300	\$119,975	YES

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Retirement	2007	2008	Adjusted
Defined Benefit Maximum Limit	\$180,000	\$185,000	YES
Defined Contribution Plan Maximum Limit:			
• Dollars	\$45,000	\$46,000	YES
• Percentage - EmployEE's Compensation	100%	100%	
SEP Max Limit:			
• Dollars	\$45,000	\$46,000	YES
• Percentage - EmployEE's Compensation	25%	25%	
SEP Earnings Eligibility - 408 (k)(2)(c)	\$500	\$500	
401(k), SARSEP, 457, 403(b) Employee Deferral Limit	\$15,500	\$15,500	
IRA Contribution Limit	\$4,000	\$5,000	YES
SIMPLE Employee Deferral Limit	\$10,500	\$10,500	
Catch-Up Provision (age 50 and older):			
• IRA Catch-up Contribution	\$1,000	\$1,000	
• 401 (k), SARSEP, 457, 403(b)	\$5,000	\$5,000	
• SIMPLE	\$2,500	\$2,500	
Highly Compensated Employee-414(q)	\$100,000	\$105,000	YES
Key Employee-416(i)	\$145,000	\$150,000	YES
Covered Compensation for Qualified Plans	\$225,000	\$230,000	YES
Traditional IRA Contribution Phaseouts:			
• MFJ-One spouse is active participant (in 1,000s)	\$156-\$166	\$159-169	YES
• MFJ-Taxpayer is active participant (in 1,000s)	\$83-\$103	\$85-\$105	YES
• Single-Taxpayer is active participant (in 1,000s)	\$52-\$62	\$53-\$63	YES
• MFS (in 1,000s)	\$0-\$10	\$0-\$10	
Roth IRA Contribution Phaseouts:			
• MFJ (in 1,000s)	\$156-\$166	\$159-\$169	YES
• Single (in 1,000s)	\$99-\$114	\$101-\$116	YES
• MFS (in 1,000s)	\$0-\$10	\$0-\$10	
Converting Traditional IRA to Roth IRA Maximum MAGI:			
• Single, HH, MFJ	\$100,000	\$100,000	
• MFS	Disallowed	Disallowed	
Fringe Benefits			
Qualified Parking Exclusion	\$215	\$220	YES
Transit Pass Exclusion	\$110	\$115	YES
Adoption Assistance	\$11,390	\$11,650	YES
Adoption Assistance AGI Phaseout	\$170,820-\$210,820	\$174,730-\$214,730	YES
Social Security			
Maximum Earnings Taxable	\$97,500	\$102,000	YES
One Quarter of Coverage (up to 4 per year)	\$1,000	\$1,050	YES
Retirement Earnings Limit:			
• Under full retirement age	\$12,480	\$13,560	YES
• Year reaching full retirement age	\$34,440	\$36,120	YES
Social Security Disability Thresholds:			
• Maximum Earnings-Blind (monthly)	\$1,500	\$1,570	YES
• Maximum Earnings-Nonblind (monthly)	\$900	\$940	YES
Maximum Monthly Social Security Benefit	\$2,116	\$2,185	YES
PBGC Limit (monthly)	\$4,125	\$4,312.50	YES

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Estate Planning	2007	2008	Adjusted
Annual Gift Tax Exclusion	\$ 12,000	\$ 12,000	
Annual Gift Tax Exclusion to a Noncitizen Spouse	\$ 125,000	\$ 128,000	YES
Applicable Exclusion Amount:			
• Gift Tax	\$ 1,000,000	\$ 1,000,000	
• Estate Tax	\$ 2,000,000	\$ 2,000,000	
Applicable Credit Amount:			
• Gift Tax	\$ 345,800	\$ 345,800	
• Estate Tax	\$ 780,800	\$ 780,800	
Maximum Estate and Gift Tax Rate	45%	45%	
GSTT Exclusion Amount	\$ 2,000,000	\$ 2,000,000	
Estate Installments	\$ 1,250,000	\$ 1,280,000	YES
Special Use Valuation	\$ 940,000	\$ 960,000	YES