

Important Tax Figures for 2012

The following table provides some important federal tax information for 2012, compared with 2011. Some of the dollar amounts change due to inflation. Other amounts are changing due to legislation.

Social Security/ Medicare	2012	2011
Social Security Tax Wage Base	\$110,100	\$106,800
Medicare Tax Wage Base	No Limit	No Limit
Employee portion of Social Security	4.2 percent for January and February. (Congress must vote to extend this tax break for the rest of the year.)	4.2 percent
Individual Retirement Accounts	2012	2011
Roth IRA Individual, up to 100% of earned income	\$5,000	\$5,000
Traditional IRA Individual, up to 100% of earned income	\$5,000	\$5,000
Roth and traditional IRA additional annual "catch-up" contributions for account owners age 50 and older	\$1,000	\$1,000
Qualified Plan Limits	2012	2011
Defined Contribution Plan Dollar limit on additions on Sections 415(c)(1)(A)	\$50,000	\$49,000
Defined Benefit Plan limit on benefits (<i>Section 415(b)(1)(A)</i>)	\$200,000	\$195,000
Maximum compensation used to determine contributions	\$250,000	\$245,000
401(k), SARSEP, 403(b) Deferrals (<i>Section 402(g)</i>), & 457 deferrals (<i>Section 457 (b)(2)</i>)	\$17,000	\$16,500

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Qualified Plan Limits (continued)	2012	2011
401(k), 403(b), 457 & SARSEP additional "catch-up" contributions for employees age 50 and older	\$5,500	\$5,500
SIMPLE deferrals (<i>Section 408(p)(2)(A)</i>)	\$11,500	\$11,500
SIMPLE additional "catch-up" contributions for employees age 50 and older	\$2,500	\$2,500
Compensation defining highly compensated employee (<i>Section 414(q)(1)(B)</i>)	\$115,000	\$110,000
Compensation defining key employee (officer)	\$165,000	\$160,000
Compensation triggering Simplified Employee Pension contribution requirement (<i>Section 408(k)(2)(c)</i>)	\$550	\$550
Driving Deductions	2012	2011
Business mileage, per mile	55.5 cents	51 cents (for January 1 to June 30) 55.5 cents (for July 1 to December 31)
Charitable mileage, per mile	14 cents	14 cents (for all of 2011)
Medical and moving, per mile	23 cents	19 cents (for January 1- June 30) 23.5 cents (for July 1- December 31)
Business Equipment	2012	2011
Maximum Section 179 deduction	\$139,000*	\$500,000
Phaseout for Section 179	\$560,000*	\$2 million
Transportation Fringe Benefit Exclusion	2012	2011
Monthly commuter highway vehicle and transit pass	\$125**	\$230*
Monthly qualified parking	\$240	\$230

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Standard Deduction	2012	2011
Married filing jointly	\$11,900	\$11,600
Single (and married filing separately)	\$5,950	\$5,800
Heads of Household	\$8,700	\$8,500
Personal Exemption	2012	2011
Amount	\$3,800	\$3,700
Domestic Employees	2012	2011
Threshold when a domestic employer must withhold and pay FICA for babysitters, house cleaners, etc.	\$1,800	\$1,700
Kiddie Tax	2012	2011
Net unearned income not subject to the "Kiddie Tax"	\$1,900	\$1,900
Estate Tax	2012	2011
Federal estate tax exemption	\$5.12 million	\$5 million
Maximum estate tax rate	35 percent	35 percent
Annual Gift Exclusion	2012	2011
Amount you can give each recipient	\$13,000	\$13,000
IRS Interest Rates	2012	2011
Tax overpayments	3 percent (2 percent for corporations; 0.5 percent for the part of corporate overpayments exceeding \$10,000)	3 percent (2 percent for corporations; 0.5 percent for the part of corporate overpayments exceeding \$10,000)
Tax underpayments	3 percent (5 percent for large corporate underpayments)	3 percent (5 percent for large corporate underpayments)

* The \$500,000 maximum Section 179 deduction expired at the end of 2011. The amount was scheduled to fall to only \$139,000, and Section 179 deductions for real estate improvements have disappeared. Congress may act to increase these amounts retroactively, as it has in the past.

** The \$230 amount was a temporary increase. The amount reverts to \$125 for 2012.