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2010 Tax Rate Tables

Projected 2010 federal tax brackets and tables, taking into account projected inflation adjustments (based on inflation data released by the U.S. Department of Labor):

- Standard Deduction: No change -- \$5,700 single/\$11,400 joint (as in 2009)
- Personal Exemption: No change -- \$3,650 (as in 2009)
- Gift Tax Exemption: No change -- \$13,000 (as in 2009)
- Kiddie Tax Threshold: No change -- \$950 (as in 2009)
- Income Limit for Full Roth IRA Contributions: \$105,000 single/\$167,000 joint (no change/up \$1,000 from 2009)

Here are the 2010 tax tables (along with the actual 2009 tax tables):

Single Filers

| 2010 Taxable Income | Rate | 2009 Taxable Income | Rate |
|-----------------------|------|-----------------------|------|
| \$0 - \$8,375 | 10% | \$0 - \$8,350 | 10% |
| \$8,375 - \$34,000 | 15% | \$8,350 - \$33,950 | 15% |
| \$34,000 - \$82,400 | 25% | \$33,950 - \$82,250 | 25% |
| \$82,400 - \$171,850 | 28% | \$82,250 - \$171,550 | 28% |
| \$171,850 - \$373,650 | 33% | \$171,550 - \$372,950 | 33% |
| \$373,650 + | 35% | \$372,950 + | 35% |

Married Filing Jointly (& Surviving Spouse)

| 2010 Taxable Income | Rate | 2009 Taxable Income | Rate |
|-----------------------|------|-----------------------|------|
| \$0 - \$16,750 | 10% | \$0 - \$16,700 | 10% |
| \$16,750 - \$68,000 | 15% | \$16,700 - \$67,900 | 15% |
| \$68,000 - \$137,300 | 25% | \$67,900 - \$137,050 | 25% |
| \$137,300 - \$209,250 | 28% | \$137,050 - \$208,850 | 28% |
| \$209,250 - \$373,650 | 33% | \$208,850 - \$372,950 | 33% |
| \$373,650 + | 35% | \$372,950 + | 35% |

NEW YORK

Personal income tax: New York collects state income taxes using a progressive, five-bracket system.

For single taxpayers:

- 4 percent on the first \$8,000 of taxable income.
- 4.5 percent on taxable income between \$8,001 and \$11,000.
- 5.25 percent on taxable income between \$11,001 and \$13,000.
- 5.9 percent on taxable income between \$13,001 and \$20,000.
- 6.85 percent on taxable income of \$20,001 and above.

For married persons filing joint returns, the rates remain the same but the income brackets are doubled. Empire State income tax forms are due on April 15 or the next business day if that date falls on a weekend or holiday. New York City has its own tax rates and brackets. The state's earned income credit has increased to 30 percent of the federal credit. The credit helps taxpayers offset increases in living expenses and Social Security taxes, reduces taxes owed and in some cases can even provide a refund to filers who do not owe any tax. File Form IT-215, Claim for Earned Income Credit.

SHORT FORM FEDERAL ESTATE, GIFT, AND GENERATION SKIPPING TRANSFER TAXES:

| Year | Lifetime Gift Tax Exemption | Total Gift and Estate Tax Exemption* | Generation Skipping Tax (GST) Exemption | Gift, Estate, and GST Taxes/Top Rates |
|------|-----------------------------|--------------------------------------|---|---------------------------------------|
| 2009 | \$1 million | \$3.5 million | \$3.5 million | 45% |
| 2010 | \$1 million | Unlimited | Unlimited | 35% |
| 2011 | \$1 million | \$1 million | \$1 million | 55% |

**The estate tax exemption amount is reduced for lifetime taxable gifts.*

Federal Transfer Taxes after the Economic Growth and Tax Relief Reconciliation Act of 2001

Set forth in the following table is a quick reference guide to the scheduled increases in the estate and gift tax applicable exclusions amounts, the GST exemption amounts and the top marginal estate and gift tax rates and the GST tax rates through 2011, along with a few reminders of when various features of the Act are scheduled to become effective. Please note that this does not include State Estate Taxes, which may be significant, especially for New Yorkers.

| Year | Estate Tax Applicable Exclusion | Gift Tax Applicable Exclusion | GST Exemption | Top Marginal Estate & Gift Tax Rate and GST Tax Rate | |
|------|---------------------------------|-------------------------------|------------------------------------|--|---|
| 2001 | \$675,000 | \$675,000 | \$1,060,000 | 55% | Transfers after 12/31/00 are subject to automatic allocation of GST exemption. |
| 2002 | 1,000,000 | 1,000,000 | 1,100,000 | 50% | 5% estate and gift tax surtax repealed for estates of decedents dying after 12/31/01 |
| 2003 | 1,000,000 | 1,000,000 | 1,120,000 | 49% | |
| 2004 | 1,500,000 | 1,000,000 | 1,500,000 | 48% | Family-owned business deduction is repealed for estates of decedents dying after 12/31/03 |
| 2005 | 1,500,000 | 1,000,000 | 1,500,000 | 47% | |
| 2006 | 2,000,000 | 1,000,000 | 2,000,000 | 46% | |
| 2007 | 2,000,000 | 1,000,000 | 2,000,000 | 45% | |
| 2008 | 2,000,000 | 1,000,000 | 2,000,000 | 45% | |
| 2009 | 3,500,000 | 1,000,000 | 3,500,000 | 45% | |
| 2010 | N/A | 1,000,000 | N/A | N/A for estate & GST taxes. 35% for gift taxes. | Estate tax and GST tax are repealed. Carryover basis is in effect. Any transfer to a trust other than a wholly owned grantor trust will be treated as a completed gift. |
| 2011 | 1,000,000 | 1,000,000 | 2003 amount indexed for inflation. | 55% | Current law springs back into effect. |

Note: We expect Congress to continue the tax regime shown for 2009, in future years, with some relatively minor adjustments (including portability of exemptions between spouses and indexing exemptions for inflation). For NY decedents, the maximum combined rate of tax (both state and federal, on estates) is 53% through 2009. Due to the elimination of the Credit for State Death Taxes, Florida, and most other states, now have no death taxes. New York's taxable threshold is now \$1 million.