



RIGHTPATH™

Investments & Financial Planning, Inc.

2010 Key Numbers: Business Planning

Winter 2010

From health insurance deductions to mileage rates, business owners and the self-employed will want to stay on top of these tax-related details.

Business Planning	2008	2009	2010
Adoption Assistance Programs			
*Maximum amount that can be excluded from employee's gross income	\$11,650	\$12,150	\$12,170
Phaseout threshold amount	\$174,730	\$182,180	\$182,520
Completed phaseout amount after	\$214,730	\$222,180	\$222,520
Earnings subject to FICA taxes (taxable wage base):			
*Maximum annual earnings subject to Social Security taxes	\$102,000	\$106,800	\$106,800
*Social Security and Medicare combined tax rate	15.30%	15.30%	15.30%
OASDI portion (Social Security)	12.40%	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90%	2.90%	2.90%
Health insurance deduction for self-employed:			
*Deduction for health insurance premiums paid by self-employed persons	100%	100%	100%
Qualified transportation fringe benefits:			
*Commuter vehicles and transit pass monthly exclusion amount	\$115	\$230 ¹	\$230
*Qualified parking monthly exclusion amount	\$220	\$230	\$230
*Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	N/A	\$20	\$20
Section 179 expensing			
*Maximum amount that may be deducted under section 179	\$250,000	\$250,000	\$134,000
*Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$800,000	\$800,000	\$530,000
Special additional first-year depreciation allowance			
**"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	50%	50%	0
Standard mileage rate (per mile):			
*Use of auto for business purposes	\$0.505 for first half of 2008; \$0.585 for second half	\$0.55	\$0.50
Tax on accumulated earnings and personal holding company income			
*Maximum tax on these items (prior to the 2003 Tax Act, these items were taxed at the highest marginal personal income tax rate).	15%	15%	15%

¹ The monthly exclusion amount for January and February of 2009 was \$120.

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