

# Tax Planner



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## Tax Preparation Checklist

### Personal Data

- Social Security Numbers (including spouse and children)
- Child care provider: name, address, and tax I.D. or social security number
- Alimony paid: name and social security number of former spouse

### Employment & Income Data

- W-2 forms for this year
- Unemployment compensation: Forms 1099-G
- Rental income: Form 1099-MISC
- Partnership, S Corporation, & trust income: Schedules K-1
- Pensions and annuities: Forms 1099-R  
Social Security/Railroad benefits: Forms RRB-1099
- Alimony received
- Miscellaneous income: jury duty, gambling and lottery winning, prizes and awards
- Scholarships and fellowships
- State and local income tax refunds: Form 1099-G

### Homeowner/Renter Data

- Mortgage interest: Form 1098 for all residences (include home equity loans and boat loans)
- Sale of your home or other real estate: Form 1099-S
- Real estate taxes paid
- Moving expenses (if connected with change of employment)

### Financial Assets

- Interest and Dividend income statements: Form 1099-INT, 1099-DIV & 1099-OID
- Proceeds from broker transactions: Form 1099-B
- Retirement plan withdrawal: Form 1099-R

### Financial Liabilities

- Auto loans and leases if vehicle used for business
- Student loan interest paid
- Early withdrawal penalties on CDs and other time deposits

### Expenses

- Gifts to charity (written statement from charity for any single donations of \$250 or more)
- Unreimbursed expenses related to volunteer work
- Unreimbursed expenses related to your job (travel expenses, uniforms, union dues, subscriptions)
- Investment expenses
- Job-hunting expenses
- Job-related education expenses
- Child care expenses
- Medical Savings Accounts
- Adoption expenses
- Alimony paid
- Tax return preparation expenses and fees

### Self-employment Data

- Business income: Forms 1099-MISC and/or your own records
- Business-related expenses: receipts, related documents & your own records
- Employment taxes & other business taxes paid for current year: payment records

### Miscellaneous Tax Documents

- Federal & state estimated taxes paid. List the date and amount of each payment
- IRA, Keogh and other retirement plan contributions: Identify employer and employee contributions
- Casualty or theft losses
- Records for any other income or sales of property that may be taxable or reportable

### Baltimore-Washington Financial Advisors

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## 2009 Key Tax Figures

### Retirement Plans

#### IRA contribution limits

Under Age 50	\$ 5,000
Age 50 and older	6,000

#### SIMPLE IRA elective deferral limits

Under Age 50	\$ 11,500
Age 50 and older	14,000

#### 401(k) elective deferral limits

Under Age 50	\$ 16,500
Age 50 and older	22,000

#### Profit-sharing plans/SEPs

Contribution limit	\$ 49,000
Compensation limit (for contributions)	245,000
Maximum contribution percentage (SE/employer)	20/25%

### Section 179 Limits

<b>Deduction</b>	\$ 250,000
<b>Qualifying property phase-out threshold</b>	\$ 800,000

### Education

#### Education Credits

Hope scholarship credit (maximum per student)	\$ 2,500
Lifetime learning credit (maximum per family)	2,000

#### Student loan interest deduction

	\$ 2,500
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#### Education savings account (ESA) contribution limit

	\$ 2,000/ben.
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### Health Savings Accounts

#### Self-only coverage

Contribution (deduction) limit	\$ 3,000
Plan minimum deductible	1,150
Plan out-of-pocket limit	5,800

#### Family Coverage

Contribution (deduction) limit	\$ 5,950
Plan minimum deductible	2,300
Plan out-of-pocket limit	11,600

#### Catch-up contribution (age 55 and older)

	\$ 1,000
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### Estate and Gift Tax

#### Estate Tax

Exclusion	\$ 3,500,000
Maximum tax rate	45%

#### Gift Tax

Annual exclusion	\$ 12,000
Lifetime exemption	1,000,000

### Social Security/SE tax

#### Maximum earnings subject to tax

Social Security tax	\$ 102,000
Medicare tax	No Limit

#### Maximum earnings and still receive full benefits

Under full retirement age (FRA) at year-end	\$ 14,160
Year FRA reached (months up to FRA only)	37,680
Month FRA reached and later	No Limit

## 2009 AGI Phase-Out Amounts/Ranges

Filing Status	Tuition and Fees Deduction	Student Loan Interest Deduction	Education Savings Bond Interest Exclusion	Lifetime Learning Credit	Hope Scholarship (American Opportunity Credit)	Education Savings Accounts (ESA)
MFJ	\$130,000 / \$160,000	\$120,000 – \$150,000	\$104,900 – \$134,900	\$100,000 – \$120,000	\$160,000 – \$180,000	\$190,000 – \$220,000
QW	65,000 / 80,000	60,000 – 75,000	104,900 – 134,900	50,000 – 60,000	80,000 – 90,000	95,000 – 110,000
Single	65,000 / 80,000	60,000 – 75,000	69,950 – 84,950	50,000 – 60,000	80,000 – 90,000	95,000 – 110,000
HOH	65,000 / 80,000	60,000 – 75,000	69,950 – 84,950	50,000 – 60,000	80,000 – 90,000	95,000 – 110,000
MFS	Do Not Qualify	Do Not Qualify	Do Not Qualify	Do Not Qualify	Do Not Qualify	95,000 – 110,000

  

	Child Tax Credit	Earned Income Credit		Passive Loss in Active Rental Real Estate	Roth IRA Contribution	Traditional IRA Deduction	Itemized Deductions	Saver's Credit	
	No Child	1 Child	2 Children						
MFJ	\$110,000	\$18,440	\$40,463	\$45,295	\$100,000 – \$150,000	\$166,000 – \$176,000	\$89,000 – \$109,000	\$159,950	\$55,500
QW	75,000	13,440	35,463	40,295	100,000 – 150,000	166,000 – 176,000	89,000 – 109,000	159,950	27,750
Single	75,000	13,440	35,463	40,295	100,000 – 150,000	105,000 – 120,000	55,000 – 65,000	159,950	27,750
HOH	75,000	13,440	35,463	40,295	100,000 – 150,000	105,000 – 120,000	55,000 – 65,000	159,950	41,625
MFS	55,000	Do Not Qualify		50,000 – 75,000	0 – 10,000	0 – 10,000	79,975	0 – 10,000	

## IRAs—Traditional vs. Roth (2009)

Contributions:	Traditional	Roth
Limit, under age 50	\$5,000	\$5,000
Limit, age 50 or older	\$6,000	\$6,000
Deductible	Yes, but may be limited if covered by employer retirement plan	No
Income (AGI) limitations:	Yes, for deductible contribution when covered by employer plan	Yes
Married, joint return	\$89,000 – 109,000	\$166,000 – 176,000
Single	\$55,000 – 65,000	\$105,000 – 120,000
	No limits if not covered by employer retirement plan or for nondeductible contributions	
Maximum Age	70½	No age limit
Distributions:		
Taxation	All ordinary income (unless nondeductible contributions made)	Nontaxable if qualified distribution
Age distributions must begin	70½	No age restrictions
10% penalty for distributions before age 59½	Yes, subject to certain exceptions	Yes; NA to withdrawal of contributions
Withdrawal of nondeductible contributions (basis)	Pro-rata based on all traditional IRAs	First, before earnings

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