

**2009 Tax Information**

As we wind up 2009 you should begin to turn your attention to getting ready for the 2009 tax season. The following information is provided to help you prepare for planning for this upcoming tax season. The changes in the deductions for 2009 will affect the preparation of your 2009 tax return. The following are some of the most important changes for 2009:

**1. Standard Deduction for 2009**

Singles or Married Filing Separately	\$5,700
Married Filing Jointly or Qualified Widow	\$11,400
Head of Household	\$8,350

**Additional Deduction for Age 65 and/or blind**

Married filing Jointly or Separately, Qualified Widow	\$1,100
Single or Head of Household	\$1,400

As in 2008, Standard Deduction is increased for those taxpayers who do not qualify to itemize their deductions who pay State and Local Real Property Taxes. The increase is equal to the lesser of \$500 (\$1,000 for Married filing jointly) or the amount of the real property taxes paid in 2009.

**2. Personal Exemption**

Per Person	\$3,650
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**3. Social Security Highlights**

Maximum Earnings subject to FICA	\$106,800
Maximum FICA tax payable	\$ 6,621.80

**4. Standard Mileage Allowances**

Business Mileage	\$.55 per mile
Medical & Moving Mileage	\$.24 per mile
Charitable Mileage	\$.14 per mile

5. Section 179 Expense Limits

Regular Sect. 179 limits	\$250,000
SUV Limits	\$ 25,000
Investment phaseout begins	\$800,000

The expanded Section 179 expense limits are extended from the limits established in 2008.

6. IRA Contribution Limits

Under age 50	\$5,000
Age 50 and over	\$6,000

7. 401(k)/403(b) Deferral Limits

Under age 50	\$16,500
Age 50 and over	\$22,000

While there are many other deductible amounts available for 2009, these are the major ones that affect most taxpayers. Next month, we will look at some last minute ways to reduce your tax liability for 2009.

*Til next time,*

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