

Chapter 14: Tax Rates and Useful Tables

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Corrections were made to this workbook through January of 2003. No subsequent modifications were made.

INFLATION ADJUSTED ITEMS AND OTHER USEFUL INFORMATION

	2001	2002
Standard Deductions		
Joint or Qualifying Widow(er)	\$7,600	\$7,850
Single	4,550	4,700
Head of Household	6,650	6,900
Married Filing Separately	3,800	3,925
Additional for Elderly/Blind —Married	900	900
Additional for Elderly/Blind —Unmarried and not a surviving spouse	1,100	1,150
Taxpayer Claimed as Dependent	750	750
Personal and Dependent Exemption Deduction	2,900	3,000
Unearned Income Without Kiddie Tax	1,500	1,500
Beginning/Ending of Personal Exemption Phaseout Range - Based on AGI		
Joint or Qualifying Widow(er)	199,450 / 321,950	206,000 / 328,500
Single	132,950 / 255,450	171,650 / 294,150
Head of Household	166,200 / 288,700	137,300 / 259,800
Married Filing Separately	99,725 / 160,975	103,000 / 164,250
§179 Deduction	24,000	24,000
Beginning of Itemized Deduction Phaseout Range - Based on AGI		
Joint, Single, Head of Household	132,950	137,300
Married Filing Separately	66,475	68,650

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INFLATION ADJUSTED ITEMS (CONTINUED)

	2001	2002
FICA/SE Tax Information		
OASDI Tax Maximum Earnings	80,400	84,900
FICA (OASDI and HI) Tax Rate (Employee)	7.65%	7.65%
SE Tax Rate	15.30%	15.30%
Maximum Deductible 401(k) and 403(b) Employee Contributions	10,500	11,000
Self-Employed Health Insurance Deduction	60%	70%
Estimated Tax Payments (AGI > \$150,000)		
Prior Year Tax % or	100%	100%
Current Year Tax %	90%	90%
Earnings Ceiling for Social Security		
Below Age 65	10,680	11,280
Age 65–69	Unlimited	Unlimited
Age 70 and Above	Unlimited	Unlimited
Earnings Required to Earn One Quarter of Social Security Coverage	830	870
Gift and Estate Tax Applicable Exclusion Amount	675,000	1,000,000
Maximum Gift	11,000	11,000
Capital Gain Rates (Maximum for Noncorporate Taxpayers)		
Adjusted Net Capital Gain (Assets held more than 12 months)		20%
For those in 15% bracket		10%
For those in 15% bracket (Assets held more than 5 years)		8%
For Recaptured Gain on Real Estate		25%
For Most Collectibles		28%

DEPRECIATION LIMITS FOR AUTOMOBILES (OTHER THAN ELECTRIC AUTOMOBILES)

	Year Vehicle Placed in Service				
	1998	1999	2000	2001	2002
First Year	\$3,160	\$3,060	\$3,060	\$3,060	\$3,060
Second Year	5,000	5,000	4,900	4,900	4,900
Third Year	2,950	2,950	2,950	2,950	2,950
Later Years	1,775	1,775	1,775	1,775	1,775

OTHER RATES FOR VEHICLES

	2001	2002
Auto Standard Mileage Allowance		
Business	\$0.345	\$0.365
Charity Work	0.14	0.14
Medical/Moving	0.12	0.13
Excise Tax on Luxury Cars		
Floor for Application of Tax Rate of Tax	38,000	40,000
Rate of Tax	4%	3%
Qualified Transportation Fringe		
Vehicle/Transit Pass Limit	\$65	\$100
Qualified Parking Limit	180	185

ANNUAL LEASE VALUE TABLE

Fair Market Value of Automobile		Tax Year During Lease				
Over	Not Over	1st	2nd	3rd	4th	5th and Later
\$15,500	\$15,800	2	3	5	6	6
15,800	16,100	3	7	9	11	13
16,100	16,400	4	10	14	17	19
16,400	16,700	6	13	18	22	26
16,700	17,000	7	16	23	28	31
17,000	17,500	9	20	29	35	40
17,500	18,000	11	25	37	44	50
18,000	18,500	14	30	44	53	61
18,500	19,000	16	35	52	62	72
19,000	19,500	18	40	60	71	82
19,500	20,000	21	45	67	80	93
20,000	20,500	23	50	75	89	103
20,500	21,000	25	56	82	98	114
21,000	21,500	28	60	90	108	123
21,500	22,000	30	66	97	117	134
22,000	23,000	33	74	108	130	150
23,000	24,000	38	84	123	149	171
24,000	25,000	43	94	139	166	192
25,000	26,000	47	104	154	185	213
26,000	27,000	52	114	169	203	234
27,000	28,000	57	124	185	220	255
28,000	29,000	61	135	199	239	276
29,000	30,000	66	145	214	258	296
30,000	31,000	71	155	230	275	318
31,000	32,000	75	165	245	294	338
32,000	33,000	80	175	260	312	360
33,000	34,000	85	185	276	329	381
34,000	35,000	89	196	290	348	402
35,000	36,000	94	206	305	367	422
36,000	37,000	99	216	321	384	443
37,000	38,000	103	226	336	403	464
38,000	39,000	108	236	351	421	485
39,000	40,000	112	247	366	439	506
40,000	41,000	117	257	381	457	527
41,000	42,000	122	267	396	475	549
42,000	43,000	126	278	411	493	570
43,000	44,000	131	288	426	512	590
44,000	45,000	136	298	441	530	611
45,000	46,000	140	308	457	548	632
46,000	47,000	145	318	472	566	653
47,000	48,000	150	328	487	584	674
48,000	49,000	154	339	502	602	695
49,000	50,000	159	349	517	620	717

Note. See Chapter 3: Small Business Issues for a comprehensive example of how to use this table.

TAX RATES FOR 2002

TAX RATE SCHEDULE X

SINGLE TAXPAYERS FOR TAX YEARS BEGINNING IN 2002

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of The Amount Over
\$0	\$6,000	10%	\$0
6,000	27,950	\$ 600 + 15%	6,000
27,950	67,700	3,892.50 + 27%	27,950
67,700	141,250	14,625 + 30%	67,700
141,250	307,050	36,690 + 35%	141,250
307,050	...	94,720 + 38.6%	307,050

TAX RATE SCHEDULE Y-1

MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES FOR TAX YEARS BEGINNING IN 2002

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of The Amount Over
\$0	\$12,000	10%	\$0
12,000	46,700	\$ 1,200 + 15%	12,000
46,700	112,850	6,405 + 27%	46,700
112,850	171,950	24,265.50 + 30%	112,850
171,950	307,050	41,995.50 + 35%	171,950
307,050	...	89,280.50 + 38.6%	307,050

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TAX RATE SCHEDULE Y-2

MARRIED INDIVIDUALS FILING SEPARATE RETURNS FOR TAX YEARS BEGINNING IN 2002

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of The Amount Over
\$0	\$6,000	10%	\$0
6,000	23,350	\$ 600 + 15%	6,000
23,350	56,425	3,202.50 + 27%	23,350
56,425	85,975	12,132.75 + 30%	56,425
85,975	153,525	20,997.75 + 35%	85,975
153,525	...	44,640.25 + 38.6%	153,525

TAX RATE SCHEDULE Z

HEADS OF HOUSEHOLD FOR TAX YEARS BEGINNING IN 2002

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of The Amount Over
\$0	\$10,000	10%	\$0
10,000	37,450	\$ 1,000 + 15%	10,000
37,450	96,700	5,117.50 + 27%	37,450
96,700	156,600	21,115 + 30%	96,700
156,600	307,050	39,085 + 35%	156,600
307,050	...	91,742.50 + 38.6%	307,050

TAX RATE SCHEDULE FOR ESTATES AND TRUSTS

FOR TAX YEARS BEGINNING IN 2002

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of The Amount Over
\$0	\$1,850	15%	\$0
1,850	4,400	\$ 277.50 + 27%	1,850
4,400	6,750	966.00 + 30%	4,400
6,750	9,200	1,671 + 35%	6,750
9,200	...	2,528.50 + 38.5%	9,200

INTEREST RATES FOR NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS OF TAX 1995–2002

Noncorporate Overpayments and Underpayments		
	Overpayments Rate Table PG 1995–1 C.B.)	Underpayments (Rate Table PG 1995–1 C.B.)
Jan. 1, 1995–Mar. 31, 1995	8%	9%
Apr. 1, 1995–Jun. 30, 1995	9%	10%
Jul. 1, 1995–Sep. 30, 1995	8%	9%
Oct. 1, 1995–Dec. 31, 1995	8%	9%
Jan. 1, 1996–Mar. 31, 1996	8%	9%
Apr. 1, 1996–Jun. 30, 1996	7%	8%
Jul. 1, 1996–Sep. 30, 1996	8%	9%
Oct. 1, 1996–Dec. 31, 1996	8%	9%
Jan. 1, 1997–Mar. 31, 1997	8%	9%
Apr. 1, 1997–Jun. 30, 1997	8%	9%
Jul. 1, 1997–Sep. 30, 1997	8%	9%
Oct. 1, 1997–Dec. 31, 1997	8%	9%
Jan. 1, 1998–Mar. 31, 1998	8%	9%
Apr. 1, 1998–Jun. 30, 1998	7%	8%
Jul. 1, 1998–Sep. 30, 1998	7%	8%
Oct. 1, 1998–Dec. 31, 1998	7%	8%
Jan. 1, 1999–Mar. 31, 1999	7%	7%
Apr. 1, 1999–Jun. 30, 1999	8%	8%
Jul. 1, 1999–Sep. 30, 1999	8%	8%
Oct. 1, 1999–Dec. 31, 1999	8%	8%
Jan. 1, 2000–Mar. 31, 2000	8%	8%
Apr. 1, 2000–Jun. 30, 2000	9%	9%
Jul. 1, 2000–Sep. 30, 2000	9%	9%
Oct. 1, 2000–Dec. 31, 2000	9%	9%
Jan. 1, 2001–Mar. 31, 2001	9%	9%
Apr. 1, 2001–Jun. 30, 2001	8%	8%
Jul. 1, 2001–Sep. 30, 2001	7%	7%
Oct. 1, 2001–Dec. 31, 2001	7%	7%
Jan. 1, 2002–Mar. 31, 2002	6%	6%
Apr. 1, 2002–Jun. 30, 2002	6%	6%
Jul. 1, 2002–Sep. 30, 2002	6%	6%
Oct. 1, 2002–Dec. 31, 2002	6%	6%

FARM CREDIT BANK INTEREST RATES FOR VALUING FARMLAND UNDER SPECIAL USE VALUATION RULES OF I.R.C. §2032A

Farm Credit Bank District in Which Property Is Located	2002 Interest Rates
Columbia	9.68
Omaha/Spokane	7.77
Sacramento	7.66
St. Paul	7.88
Springfield	8.16
Texas	7.80
Wichita	7.96

FEDERAL APPLICABLE RATES FOR NOVEMBER 2001 THROUGH OCTOBER 2002

NOVEMBER 2001

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.73%	2.71%	2.70%	2.69%
Mid-term AFR	4.13%	4.09%	4.07%	4.06%
Long-term AFR	5.31%	5.24%	5.21%	5.18%

DECEMBER 2001

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.48%	2.46%	2.45%	2.45%
Mid-term AFR	3.97%	3.93%	3.91%	3.90%
Long-term AFR	5.05%	4.99%	4.96%	4.94%

JANUARY 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.73%	2.71%	2.70%	2.69%
Mid-term AFR	4.49%	4.44%	4.42%	4.40%
Long-term AFR	5.46%	5.39%	5.35%	5.33%

FEBRUARY 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.74%	2.72%	2.71%	2.70%
Mid-term AFR	4.63%	4.58%	4.55%	4.54%
Long-term AFR	5.60%	5.52%	5.48%	5.46%

MARCH 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.69%	2.67%	2.66%	2.66%
Mid-term AFR	4.52%	4.47%	4.45%	4.43%
Long-term AFR	5.48%	5.41%	5.37%	5.35%

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APRIL 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.88%	2.86%	2.85%	2.84%
Mid-term AFR	4.65%	4.60%	4.57%	4.56%
Long-term AFR	5.62%	5.54%	5.50%	5.48%

MAY 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	3.21%	3.18%	3.17%	3.16%
Mid-term AFR	4.99%	4.93%	4.90%	4.88%
Long-term AFR	5.85%	5.77%	5.73%	5.70%

JUNE 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.91%	2.89%	2.88%	2.87%
Mid-term AFR	4.74%	4.69%	4.66%	4.64%
Long-term AFR	5.70%	5.62%	5.58%	5.56%

JULY 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.84%	2.82%	2.81%	2.80%
Mid-term AFR	4.60%	4.55%	4.52%	4.51%
Long-term AFR	5.69%	5.61%	5.57%	5.55%

AUGUST 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.54%	2.52%	2.51%	2.51%
Mid-term AFR	4.24%	4.20%	4.18%	4.16%
Long-term AFR	5.46%	5.39%	5.35%	5.33%

SEPTEMBER 2002

PERIOD FOR COMPOUNDING

	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.13%	2.12%	2.11%	2.11%
Mid-term AFR	3.75%	3.72%	3.70%	3.69%
Long-term AFR	5.23%	5.16%	5.13%	5.11%

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