

Chapter 17: Tax Rates and Useful Tables

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Corrections were made to this workbook through January of 2004. No subsequent modifications were made.

INFLATION ADJUSTED ITEMS AND OTHER USEFUL INFORMATION

	2002	2003
Standard Deductions		
Joint or Qualifying Widow(er)	\$ 7,850	\$ 9,500
Single	4,700	4,750
Head of Household	6,900	7,000
Married Filing Separately	3,925	4,750
Additional for Elderly/Blind — Married	900	950
Additional for Elderly/Blind — Unmarried and not a surviving spouse	1,150	1,150
Taxpayer Claimed as Dependent	750	750
Personal and Dependent Exemption Deduction	3,000	3,050
Long-Term Care Premiums		
Age 40 or less	240	250
Age more than 40 but not more than 50	450	470
Age more than 50 but not more than 60	900	940
Age more than 60 but not more than 70	2,390	2,510
Age more than 70	2,990	3,130
Unearned Income Without Kiddie Tax	750	750
Beginning/Ending of Personal Exemption Phaseout Range — Based on AGI		
Joint or Qualifying Widow(er)	206,000 / 328,500	209,250 / 331,750
Single	137,300 / 259,800	139,500 / 262,000
Head of Household	171,650 / 294,150	174,400 / 296,900
Married Filing Separately	103,000 / 164,250	104,625 / 165,875
I.R.C. §179 Deduction Limit	24,000	100,000
I.R.C. §179 Asset Limitation	200,000	400,000

2003 Workbook

	2002	2003
Beginning/Ending of Itemized Deduction Phaseout Range — Based on AGI		
Joint, Single, Head of Household	137,300	139,500
Married Filing Separately	68,650	69,750
FICA/SE Tax Information		
OASDI Tax Maximum Earnings	84,900	87,000
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		
Allowable catch-up contributions (for age 50 and over)	\$ 1,000	\$ 2,000
Deferral limit under a SIMPLE plan	7,000	8,000
SIMPLE plan deferral limit (age 50 and over)	7,500	8,500
Annual benefit limit from a defined benefit plan	160,000	160,000
Earnings definition of a highly compensated employee	85,000	90,000
Limit on contributions to a defined contribution plan	40,000	40,000
Self-Employed Health Insurance Deduction	70%	100%
Estimated Tax Payments (AGI > \$150,000)		
Prior Year Tax % or	100%	110%
Current Year Tax %	90%	90%
Earnings Ceiling for Social Security		
Below Age 65	11,280	11,520
Age 65–69	Unlimited	Unlimited
Age 70 and Above	Unlimited	Unlimited
Earnings Required to Earn One Quarter of Social Security Coverage	870	890
Gift and Estate Tax Applicable Exclusion Amount	1,000,000	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) (Sales before 5/6/2003)	20%	20%
Adjusted Net Capital Gain (Assets held more than 12 months) (Sales after 5/6/2003)		15%
For those in 15% bracket (Sales before 5/6/2003)	10%	10%
For those in 15% bracket (Sales after 5/6/2003)		5%
For those in 15% bracket (Assets held more than 12 months) (Sales before 5/6/2003)	8%	8%
For those in 15% bracket (Assets held more than 12 months) (Sales after 5/6/2003)		5%
For Recapture Gain on Real Estate	25%	25%
For Most Collectibles	28%	28%
Adoption Credit		
Special Needs Child	10,000	10,160
Other children	10,000	10,160
Phaseout Amount	150,000 / 190,000	152,390 / 192,390

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	2002	2003
Hope and Lifetime Learning Credits		
Phaseout Single	41,000	41,000
Phaseout — Married filing jointly	82,000	83,000
Earned Income Credit		
One child		
Maximum Amount of Credit	2,506	2,547
Phaseout Amount (single and head of household)	13,520 / 29,201	13,730 / 29,666
Phaseout Amount (married filing jointly)	14,520 / 30,201	14,730 / 30,666
Two or More Children		
Maximum Amount of Credit	4,140	4,204
Phaseout Amount (single and head of household)	13,520 / 33,178	13,730 / 33,692
Phaseout Amount (married filing jointly)	14,520 / 34,178	14,730 / 34,692
No children		
Maximum Amount of Credit	376	382
Phaseout Amount (single and head of household)	6,150 / 11,060	6,240 / 11,230
Phaseout Amount (married filing jointly)	7,150 / 12,060	7,240 / 12,230
Child Tax Credit	600	1,000

DEPRECIATION LIMITS FOR AUTOMOBILES (OTHER THAN ELECTRIC AUTOMOBILES)

	Year Vehicle Placed in Service				
	1999	2000	2001	2002	2003
First Year	\$3,060	\$3,060	\$3,060	\$3,060	\$3,060*
Second Year	5,000	4,900	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

* The limit is \$7,660 if bonus depreciation is used

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OTHER RATES FOR VEHICLES

	2003	2004
Auto Standard Mileage Allowance		
Business	\$ 0.360	\$0.375
Charity Work	0.14	0.14
Medical/Moving	0.12	0.14
Qualified Transportation Fringe		
Vehicle/Transit Pass Limit	\$ 100	
Qualified Parking Limit	190	

TAX RATES FOR 2003

Tax Rate Schedule Single Taxpayers For Tax Years Beginning in 2003

If Taxable Income Is		The Tax Is	Of the Amount Over
Over	But Not Over		
\$ 0	\$ 7,000	10.0%	\$ 0
7,000	28,400	700.00 + 15.0%	7,000
28,400	68,800	3,910.00 + 25.0%	28,400
68,800	143,500	14,010.00 + 28.0%	68,800
143,500	311,950	34,926.00 + 33.0%	143,500
311,950		90,514.50 + 35.0%	311,950

Tax Rate Schedule Married Individuals Filing Joint Returns and Surviving Spouses For Tax Years Beginning in 2003

If Taxable Income Is		The Tax Is	Of the Amount Over
Over	But Not Over		
\$ 0	\$ 14,000	10.0%	\$ 0
14,000	56,800	1,400.00 + 15.0%	14,000
56,800	114,650	7,820.00 + 25.0%	56,800
114,650	174,700	22,282.50 + 28.0%	114,650
174,700	311,950	39,096.50 + 33.0%	174,700
311,950		84,389.00 + 35.0%	311,950

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Tax Rate Schedule Married Individuals Filing Separate Returns For Tax Years Beginning in 2003

If Taxable Income Is			
Over	But Not Over	The Tax Is	Of the Amount Over Over
\$ 0	\$ 7,000	10.0%	\$ 0
7,000	28,400	700.00 + 15.0%	7,000
28,400	57,325	3,910.00 + 25.0%	28,400
57,325	87,350	11,141.25 + 28.0%	57,325
87,350	155,975	19,548.25 + 33.0%	87,350
155,975		42,194.50 + 35.0%	155,975

Tax Rate Schedule Head of Household For Tax Years Beginning in 2003

If Taxable Income Is			
Over	But Not Over	The Tax Is	Of the Amount Over Over
\$ 0	\$ 10,000	10.0%	\$ 0
10,000	38,050	1,000.00 + 15.0%	10,000
38,050	98,250	5,207.50 + 25.0%	38,050
98,250	159,100	20,257.50 + 28.0%	98,250
159,100	311,950	37,295.50 + 33.0%	159,100
311,950		87,736.00 + 35.0%	311,950

Tax Rate Schedule Trusts and Estates For Tax Years Beginning in 2003

If Taxable Income Is			
Over	But Not Over	The Tax Is	Of the Amount Over Over
\$ 0	\$1,900	15.0%	\$ 0
1,900	4,500	285.00 + 25.0%	1,900
4,500	6,850	935.00 + 28.0%	4,500
6,850	9,350	1,593.00 + 33.0%	6,850
9,350		2,418.00 + 35.0%	9,350

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Tax Rate Schedule Corporate For Tax Years Beginning in 2003

If Taxable Income Is		The Tax Is		Of the Amount Over
Over	But Not Over			Over
\$ 0	\$ 50,000		15.0%	\$ 0
50,000	75,000	7,500.00 +	25.0%	50,000
75,000	100,000	13,750.00 +	34.0%	75,000
100,000	335,000	22,250.00 +	39.0%	100,000
335,000	10,000,000	113,900.00 +	34.0%	335,000
10,000,000	15,000,000	3,400,000.00 +	35.0%	10,000,000
15,000,000	18,333,333	5,150,000.00 +	38.0%	15,000,000
18,333,333		6,416,667.00 +	35.0%	18,333,333

INTEREST RATES FOR NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS OF TAX 1996–2003

Calendar Quarter Beginning	Rate on Underpayments	Rate on Overpayments
10/1/2003	4%	4%
7/1/2003	5%	5%
4/1/2003	5%	5%
1/1/2003	5%	5%
10/1/2002	6%	6%
7/1/2002	6%	6%
4/1/2002	6%	6%
1/1/2002	6%	6%
10/1/2001	7%	7%
7/1/2001	7%	7%
4/1/2001	8%	8%
1/1/2001	9%	9%
10/1/2000	9%	9%
7/1/2000	9%	9%
4/1/2000	9%	9%
1/1/2000	8%	8%
10/1/1999	8%	8%
7/1/1999	8%	8%
4/1/1999	8%	8%
1/1/1999	7%	7%
10/1/1998	8%	7%
7/1/1998	8%	7%
4/1/1998	8%	7%
1/1/1998	9%	8%
10/1/1997	9%	8%
7/1/1997	9%	8%
4/1/1997	9%	8%
1/1/1997	9%	8%
10/1/1996	9%	8%
7/1/1996	9%	8%
4/1/1996	8%	7%
1/1/1996	9%	8%

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FARM CREDIT BANK INTEREST RATES FOR VALUING FARMLAND UNDER SPECIAL USE VALUATION RULES OF IRC §2032A

Farm Credit Bank District in Which Property is Located	2003 Interest Rates
Columbia	9.18%
Omaha/Spokane	7.23%
Sacramento	6.92%
St. Paul	7.36%
Springfield	7.26%
Texas	7.19%
Wichita	7.44%

FEDERAL APPLICABLE RATES FOR OCTOBER 2002 THROUGH OCTOBER 2003

October 2002

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	2.03%	2.02%	2.01%	2.01%
Mid-term AFR	3.46%	3.43%	3.42%	3.41%
Long-term AFR	4.90%	4.84%	4.81%	4.79%

November 2002

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.82%	1.81%	1.81%	1.80%
Mid-term AFR	3.06%	3.04%	3.03%	3.02%
Long-term AFR	4.60%	4.55%	4.52%	4.51%

December 2002

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.84%	1.83%	1.83%	1.82%
Mid-term AFR	3.31%	3.28%	3.27%	3.26%
Long-term AFR	4.92%	4.86%	4.83%	4.81%

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January 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.81%	1.80%	1.80%	1.79%
Mid-term AFR	3.43%	3.40%	3.39%	3.38%
Long-term AFR	4.90%	4.84%	4.81%	4.79%

February 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.65%	1.64%	1.64%	1.63%
Mid-term AFR	3.27%	3.24%	3.23%	3.22%
Long-term AFR	4.85%	4.79%	4.76%	4.74%

March 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.58%	1.57%	1.57%	1.56%
Mid-term AFR	3.24%	3.21%	3.20%	3.19%
Long-term AFR	4.80%	4.74%	4.71%	4.69%

April 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.46%	1.45%	1.45%	1.45%
Mid-term AFR	2.96%	2.94%	2.93%	2.92%
Long-term AFR	4.58%	4.53%	4.50%	4.49%

May 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.53%	1.52%	1.52%	1.52%
Mid-term AFR	3.17%	3.15%	3.14%	3.13%
Long-term AFR	4.79%	4.73%	4.70%	4.68%

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June 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.49%	1.48%	1.48%	1.48%
Mid-term AFR	3.06%	3.04%	3.03%	3.02%
Long-term AFR	4.65%	4.60%	4.57%	4.56%

July 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.23%	1.23%	1.23%	1.23%
Mid-term AFR	2.55%	2.53%	2.52%	2.52%
Long-term AFR	4.17%	4.13%	4.11%	4.09%

August 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.21%	1.21%	1.21%	1.21%
Mid-term AFR	2.70%	2.68%	2.67%	2.67%
Long-term AFR	4.36%	4.31%	4.29%	4.27%

September 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.52%	1.51%	1.51%	1.51%
Mid-term AFR	3.43%	3.40%	3.39%	3.38%
Long-term AFR	5.08%	5.02%	4.99%	4.97%

October 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.68%	1.67%	1.67%	1.66%
Mid-term AFR	3.65%	3.62%	3.60%	3.59%
Long-term AFR	5.23%	5.16%	5.13%	5.11%

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November 2003

	Period For Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term AFR	1.50%	1.49%	1.49%	1.49%
Mid-term AFR	3.32%	3.29%	3.28%	3.27%
Long-term AFR	4.99%	4.93%	4.90%	4.88%
