

Chapter 15: Tax Rates and Useful Tables

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|--|---|
| <p>Inflation Adjusted Items and Other Useful Information 597</p> <p>Depreciation Limits for Luxury Vehicles — 2003 and 2004..... 600</p> <p>Net Operating Loss Carryback..... 600</p> <p>Saver’s Credit Phaseout — 2004..... 600</p> <p>Uniform Lifetime Table/Single Life Expectancy Table..... 601</p> <p>Other Rates for Vehicles 602</p> | <p>Tax Rates for 2004..... 602</p> <p>Farm Credit Bank Interest Rates for Valuing Farmland Under Special Use Valuation Rules of IRC §2032A 604</p> <p>Interest Rates for Noncorporate Overpayments and Underpayments of Tax 1996–2004 605</p> <p>Federal Applicable Rates for October 2002 through August 2004..... 606</p> <p>Summary of Significant Tax Provisions 611</p> |
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Corrections were made to this workbook through January of 2005. No subsequent modifications were made.

INFLATION ADJUSTED ITEMS AND OTHER USEFUL INFORMATION

| | 2003 | 2004 |
|---|-------------------|-------------------|
| Standard Deductions | | |
| Joint or Qualifying Widow(er) | \$ 9,500 | \$ 9,700 |
| Single | 4,750 | 4,850 |
| Head of Household | 7,000 | 7,150 |
| Married Filing Separately | 4,750 | 4,850 |
| Additional for Elderly/Blind — Married | 950 | 950 |
| Additional for Elderly/Blind — Unmarried and not a surviving spouse | 1,150 | 1,200 |
| Taxpayer Claimed as Dependent | 750 | 800 |
| Personal and Dependent Exemption Deduction | 3,050 | 3,100 |
| Long-Term Care Premiums | | |
| Age 40 or less | 250 | 260 |
| Age more than 40 but not more than 50 | 470 | 490 |
| Age more than 50 but not more than 60 | 940 | 980 |
| Age more than 60 but not more than 70 | 2,510 | 2,600 |
| Age more than 70 | 3,130 | 3,250 |
| Unearned Income Without Kiddie Tax | 750 | 800 |
| Beginning/Ending of Personal Exemption Phaseout Range — Based on AGI | | |
| Joint or Qualifying Widow(er) | 209,250 / 331,750 | 214,050 / 336,550 |
| Single | 139,500 / 262,000 | 142,700 / 265,200 |
| Head of Household | 174,400 / 296,900 | 178,350 / 300,850 |
| Married Filing Separately | 104,625 / 165,875 | 107,025 / 168,275 |
| I.R.C. §179 Deduction Limit | 100,000 | 102,000 |
| I.R.C. §179 Asset Limitation | 400,000 | 410,000 |

2004 Workbook

| | 2003 | 2004 |
|--|-------------------|-------------------|
| Beginning/Ending of Itemized Deduction Phaseout Range — Based on AGI | | |
| Joint, Single, Head of Household | 139,500 | 142,700 |
| Married Filing Separately | 69,750 | 71,350 |
| FICA/SE Tax Information | | |
| OASDI Tax Maximum Earnings | 87,000 | 87,900 |
| 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 | | |
| | \$ 12,000 | \$ 13,000 |
| Allowable catch-up contributions (for age 50 and over) | 2,000 | 3,000 |
| Deferral limit under a SIMPLE plan | 8,000 | 9,000 |
| SIMPLE plan deferral limit (age 50 and over) | 8,500 | 10,500 |
| Annual benefit limit from a defined benefit plan | 160,000 | 165,000 |
| Earnings definition of a highly compensated employee | 90,000 | 90,000 |
| Limit on contributions to a defined contribution plan | 40,000 | 41,000 |
| Self-Employed Health Insurance Deduction | 100% | 100% |
| Estimated Tax Payments (AGI > \$150,000) | | |
| Prior Year Tax % or | 110% | 110% |
| Current Year Tax % | 90% | 90% |
| Earnings Ceiling for Social Security | | |
| Below Age 65 | 11,520 | 11,640 |
| Age 65–69 | Unlimited | Unlimited |
| Age 70 and Above | Unlimited | Unlimited |
| Earnings Required to Earn One Quarter of Social Security Coverage | 890 | 900 |
| Gift and Estate Tax Applicable Exclusion Amount | 1,000,000 | 1,500,000 |
| 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% | |
| Adjusted Net Capital Gain (Assets held more than 12 months) (Sales after 5/6/2003) | 15% | 15% |
| For those in 15% bracket (Sales before 5/6/2003) | 10% | |
| For those in 15% bracket (Sales after 5/6/2003) | 5% | 5% |
| For those in 15% bracket (Assets held more than 12 months) (Sales before 5/6/2003) | 8% | |
| For those in 15% bracket (Assets held more than 12 months) (Sales after 5/6/2003) | 5% | 5% |
| For Recapture Gain on Real Estate | 25% | 25% |
| For Most Collectibles | 28% | 28% |
| Adoption Credit | | |
| Special Needs Child | 10,160 | 10,390 |
| Other children | 10,160 | 10,390 |
| Phaseout Amount | 152,390 / 192,390 | 155,860 / 195,860 |

2004 Workbook

| | 2003 | 2004 |
|--|-----------------|-----------------|
| Hope and Lifetime Learning Credits | | |
| Phaseout Single | 41,000 | 42,000 |
| Phaseout — Married filing jointly | 83,000 | 85,000 |
| Earned Income Tax Credit | | |
| One child | | |
| Minimum earned income for maximum EITC | 7,490 | 7,650 |
| Maximum Amount of Credit | 2,547 | 2,604 |
| Phaseout Amount (single and head of household) | 13,730 / 29,666 | 14,040 / 30,338 |
| Phaseout Amount (married filing jointly) | 14,730 / 30,866 | 15,040 / 31,338 |
| Two or More Children | | |
| Minimum earned income for maximum EITC | 10,510 | 10,750 |
| Maximum Amount of Credit | 4,204 | 4,300 |
| Phaseout Amount (single and head of household) | 13,730 / 33,692 | 14,040 / 34,458 |
| Phaseout Amount (married filing jointly) | 14,730 / 34,692 | 15,040 / 35,458 |
| No children | | |
| Minimum earned income for maximum EITC | 4,990 | 5,100 |
| Maximum Amount of Credit | 382 | 390 |
| Phaseout Amount (single and head of household) | 6,240 / 11,230 | 6,390 / 11,490 |
| Phaseout Amount (married filing jointly) | 7,240 / 12,230 | 7,390 / 12,490 |
| Child Tax Credit | 1,000 | 1,000 |

Daycare Provider Standard Meal Allowance — 2004

| | 48 States | Alaska | Hawaii |
|--------------|-----------|--------|--------|
| Breakfast | \$.99 | \$1.57 | \$1.15 |
| Lunch/Dinner | 1.83 | 2.97 | 2.14 |
| Snack | .54 | .88 | .63 |

Tuition and Fees Deduction — 2004

| Deduction Limit | AGI Phaseout | |
|-----------------|-----------------|-----------------|
| | Single, HOH, QW | MFJ |
| \$4,000 | \$ 0–65,000 | \$ 0–130,000 |
| 2,000 | 65,001–80,000 | 130,001–160,000 |
| 0 | Over \$80,000 | Over \$160,000 |

Child Tax Credit AGI Phaseout — 2004

| Filing Status | Beginning Phaseout | 1 Child | 2 Children | 3 Children | 4 Children | 5 Children |
|-----------------|--------------------|-----------|------------|------------|------------|------------|
| MFJ | \$110,000 | \$129,000 | \$149,000 | \$169,000 | \$189,000 | \$209,000 |
| Single, HOH, QW | 75,000 | 94,001 | 114,001 | 134,001 | 154,001 | 174,001 |
| MFS | 55,000 | 74,001 | 94,001 | 114,001 | 134,001 | 154,001 |

2004 Workbook

DEPRECIATION LIMITS FOR LUXURY VEHICLES — 2003 AND 2004¹

| Tax Year | Used Passenger Vehicles | New Passenger Vehicles | Used Trucks and Vans | New Trucks and Vans | Used Electric Vehicles | New Electric Vehicles |
|---|-------------------------|------------------------|----------------------|---------------------|------------------------|-----------------------|
| Placed in service in 2004 | | | | | | |
| 1 | \$2,960 | \$10,610 | \$3,260 | \$10,910 | \$ 8,880 | \$31,830 |
| 2 | 4,800 | 4,800 | 5,300 | 5,300 | 14,300 | 14,300 |
| 3 | 2,850 | 2,850 | 3,150 | 3,150 | 8,550 | 8,550 |
| 4 or more | 1,675 | 1,675 | 1,875 | 1,875 | 5,125 | 5,125 |
| Placed in service after May 5, 2003 and before January 1, 2004 | | | | | | |
| 1 | \$3,060 | \$10,710 | \$3,360 | \$11,010 | \$ 9,080 | \$32,030 |
| 2 | 4,900 | 4,900 | 5,400 | 5,400 | 14,600 | 14,600 |
| 3 | 2,950 | 2,950 | 3,250 | 3,250 | 8,750 | 8,750 |
| 4 or more | 1,775 | 1,775 | 1,975 | 1,975 | 5,225 | 5,225 |
| Placed in service after December 30, 2002, and before May 6, 2003 | | | | | | |
| 1 | \$3,060 | \$ 7,660 | \$3,360 | \$ 7,960 | \$ 9,080 | \$22,880 |
| 2 | 4,900 | 4,900 | 5,400 | 5,400 | 14,600 | 14,600 |
| 3 | 2,950 | 2,950 | 3,250 | 3,250 | 8,750 | 8,750 |
| 4 or more | 1,775 | 1,775 | 1,975 | 1,975 | 5,225 | 5,225 |

NET OPERATING LOSS CARRYBACK

| | For NOLs Before 2001 and After 2002 | For NOLs in 2001 and 2002 |
|-------------------|-------------------------------------|--------------------------------|
| Regular NOL | 2 years | 5 years, but may elect 2 years |
| Eligible Loss NOL | 3 years | 5 years, but may elect 3 years |
| Farm Loss NOL | 5 years, but may elect 2 years | 5 years, but may elect 2 years |

NOLs for tax years beginning before August 6, 1997 are carried forward 15 years. Any subsequent NOL is carried forward 20 years.

SAVER'S CREDIT PHASEOUT — 2004

| Credit Rate | AGI Phaseout | | |
|-------------|---------------|---------------|-----------------|
| | MFS | HOH | Single, MFS, QW |
| 50% | \$ 0–30,000 | \$ 0–22,500 | \$ 0–15,000 |
| 20% | 30,001–32,500 | 22,501–24,375 | 15,001–16,250 |
| 10% | 32,501–50,000 | 24,376–37,500 | 16,251–25,000 |
| 0% | Over \$50,000 | Over \$37,500 | Over \$25,000 |

¹ Rev. Proc. 2003-75 and Rev. Proc. 2004-20

2004 Workbook

UNIFORM LIFETIME TABLE/SINGLE LIFE EXPECTANCY TABLE

This chart combines the *Uniform Lifetime Table* and the *Single Life Expectancy Table* found in IRS Pub. 590, *Individual Retirement Arrangements*.

| Age | Single Life | Uniform Life | Age | Single Life | Uniform Life | Age | Single Life | Uniform Life | Age | Single Life | Uniform Life |
|-----|-------------|--------------|-----|-------------|--------------|-----|-------------|--------------|-----|-------------|--------------|
| 10 | 72.8 | 86.2 | 34 | 49.4 | 62.3 | 58 | 27.0 | 38.7 | 82 | 9.1 | 17.1 |
| 11 | 71.8 | 85.2 | 35 | 48.5 | 61.4 | 59 | 26.1 | 37.8 | 83 | 8.6 | 16.3 |
| 12 | 70.8 | 84.2 | 36 | 47.5 | 60.4 | 60 | 25.2 | 36.8 | 84 | 8.1 | 15.5 |
| 13 | 69.9 | 83.2 | 37 | 46.5 | 59.4 | 61 | 24.4 | 35.8 | 85 | 7.6 | 14.8 |
| 14 | 68.9 | 82.2 | 38 | 45.6 | 58.4 | 62 | 23.5 | 34.9 | 86 | 7.1 | 14.1 |
| 15 | 67.9 | 81.2 | 39 | 44.6 | 57.4 | 63 | 22.7 | 33.9 | 87 | 6.7 | 13.4 |
| 16 | 66.9 | 80.2 | 40 | 43.6 | 56.4 | 64 | 21.8 | 33.0 | 88 | 6.3 | 12.7 |
| 17 | 66.0 | 79.2 | 41 | 42.7 | 55.4 | 65 | 21.0 | 32.0 | 89 | 5.9 | 12.0 |
| 18 | 65.0 | 78.2 | 42 | 41.7 | 54.4 | 66 | 20.2 | 31.1 | 90 | 5.5 | 11.4 |
| 19 | 64.0 | 77.3 | 43 | 40.7 | 53.4 | 67 | 19.4 | 30.2 | 91 | 5.2 | 10.8 |
| 20 | 63.0 | 76.3 | 44 | 39.8 | 52.4 | 68 | 18.6 | 29.2 | 92 | 4.9 | 10.2 |
| 21 | 62.1 | 75.3 | 45 | 38.8 | 51.5 | 69 | 17.8 | 28.3 | 93 | 4.6 | 9.6 |
| 22 | 61.1 | 74.3 | 46 | 37.9 | 50.5 | 70 | 17.0 | 27.4 | 94 | 4.3 | 9.1 |
| 23 | 60.1 | 73.3 | 47 | 37.0 | 49.5 | 71 | 16.3 | 26.5 | 95 | 4.1 | 8.6 |
| 24 | 59.1 | 72.3 | 48 | 36.0 | 48.5 | 72 | 15.5 | 25.6 | 96 | 3.8 | 8.1 |
| 25 | 58.2 | 71.3 | 49 | 35.1 | 47.5 | 73 | 14.8 | 24.7 | 97 | 3.6 | 7.6 |
| 26 | 57.2 | 70.3 | 50 | 34.2 | 46.5 | 74 | 14.1 | 23.8 | 98 | 3.4 | 7.1 |
| 27 | 56.2 | 69.3 | 51 | 33.3 | 45.5 | 75 | 13.4 | 22.9 | 99 | 3.1 | 6.7 |
| 28 | 55.3 | 68.3 | 52 | 32.3 | 44.6 | 76 | 12.7 | 22.0 | 100 | 2.9 | 6.3 |
| 29 | 54.3 | 67.3 | 53 | 31.4 | 43.6 | 77 | 12.1 | 21.2 | 101 | 2.7 | 5.9 |
| 30 | 53.3 | 66.3 | 54 | 30.5 | 42.6 | 78 | 11.4 | 20.3 | 102 | 2.5 | 5.5 |
| 31 | 52.4 | 65.3 | 55 | 29.6 | 41.6 | 79 | 10.8 | 19.5 | 103 | 2.3 | 5.2 |
| 32 | 51.4 | 64.3 | 56 | 28.7 | 40.7 | 80 | 10.2 | 18.7 | 104 | 2.1 | 4.9 |
| 33 | 50.4 | 63.3 | 57 | 27.9 | 39.7 | 81 | 9.7 | 17.9 | 105 | 1.9 | 4.5 |

Column 1: Age refers to either the owner while living or the beneficiary after owner's death.

Column 2: Single Life is used for a beneficiary.

Column 3: Uniform Life is used by owner before death.

2004 Workbook

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 | \$ 100 |
| Qualified Parking Limit | 190 | 195 |

TAX RATES FOR 2004

Tax Rate Schedule Single Taxpayers For Tax Years Beginning in 2004

| If Taxable Income Is | | The Tax Is | Of the Amount Over |
|----------------------|--------------|-------------------|--------------------|
| Over | But Not Over | | |
| \$ 0 | \$ 7,150 | 10.0% | \$ 0 |
| 7,150 | 29,050 | 715.00 + 15.0% | 7,150 |
| 29,050 | 70,350 | 4,000.00 + 25.0% | 29,050 |
| 70,350 | 146,750 | 14,325.00 + 28.0% | 70,350 |
| 146,750 | 319,100 | 35,717.00 + 33.0% | 146,750 |
| 319,100 | | 92,592.50 + 35.0% | 319,100 |

Tax Rate Schedule Married Individuals Filing Joint Returns and Surviving Spouses For Tax Years Beginning in 2004

| If Taxable Income Is | | The Tax Is | Of the Amount Over |
|----------------------|--------------|-------------------|--------------------|
| Over | But Not Over | | |
| \$ 0 | \$ 14,300 | 10.0% | \$ 0 |
| 14,300 | 58,100 | 1,430.00 + 15.0% | 14,300 |
| 58,100 | 117,250 | 8,000.00 + 25.0% | 58,100 |
| 117,250 | 178,650 | 22,787.50 + 28.0% | 117,250 |
| 178,650 | 319,100 | 39,979.50 + 33.0% | 178,650 |
| 319,100 | | 86,328.00 + 35.0% | 319,100 |

2004 Workbook

Tax Rate Schedule Married Individuals Filing Separate Returns For Tax Years Beginning in 2004

| If Taxable Income Is | | | |
|----------------------|--------------|-------------------|-------------------------|
| Over | But Not Over | The Tax Is | Of the Amount Over Over |
| \$ 0 | \$ 7,150 | 10.0% | \$ 0 |
| 7,150 | 29,050 | 715.00 + 15.0% | 7,150 |
| 29,050 | 58,625 | 4,000.00 + 25.0% | 29,050 |
| 58,625 | 89,325 | 11,393.75 + 28.0% | 58,625 |
| 89,325 | 159,550 | 19,989.75 + 33.0% | 89,325 |
| 159,550 | | 43,164.00 + 35.0% | 159,550 |

Tax Rate Schedule Head of Household For Tax Years Beginning in 2004

| If Taxable Income Is | | | |
|----------------------|--------------|-------------------|-------------------------|
| Over | But Not Over | The Tax Is | Of the Amount Over Over |
| \$ 0 | \$ 10,200 | 10.0% | \$ 0 |
| 10,200 | 38,900 | 1,020.00 + 15.0% | 10,200 |
| 38,900 | 100,500 | 5,325.00 + 25.0% | 38,900 |
| 100,500 | 162,700 | 20,725.00 + 28.0% | 100,500 |
| 162,700 | 319,100 | 38,141.00 + 33.0% | 162,700 |
| 319,100 | | 89,753.00 + 35.0% | 319,100 |

Tax Rate Schedule Trusts and Estates For Tax Years Beginning in 2004

| If Taxable Income Is | | | |
|----------------------|--------------|------------------|-------------------------|
| Over | But Not Over | The Tax Is | Of the Amount Over Over |
| \$ 0 | \$1,950 | 15.0% | \$ 0 |
| 1,950 | 4,600 | 292.50 + 25.0% | 1,950 |
| 4,600 | 7,000 | 955.00 + 28.0% | 4,600 |
| 7,000 | 9,550 | 1,627.00 + 33.0% | 7,000 |
| 9,550 | | 2,468.50 + 35.0% | 9,550 |

2004 Workbook

Tax Rate Schedule Corporate For Tax Years Beginning After December 31, 1992

| If Taxable Income Is | | | |
|----------------------|--------------|----------------------|-------------------------|
| Over | But Not Over | The Tax Is | Of the Amount 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 |

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 | 2004 Interest Rates |
|--|---------------------|
| AgFirst, FCB | 8.32% |
| AgriBank, FCB | 6.93% |
| CoBank, ACB | 6.64% |
| Texas, FCB | 6.59% |
| U.S. AgBank, FCB | 6.84% |

| Farm Credit System Bank | Location of Property |
|-------------------------|---|
| AgFirst, FCB | Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, Pennsylvania, South Carolina, Virginia, West Virginia |
| AgriBank, FCB | Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin, Wyoming |
| CoBank, ACB | Alaska, Connecticut, Idaho, Maine, Massachusetts, Montana, New Hampshire, New Jersey, New York, Oregon, Rhode Island, Vermont, Washington |
| Texas, FCB | Alabama, Louisiana, Mississippi, Texas |
| U.S. AgBank, FCB | Arizona, California, Colorado, Hawaii, Kansas, New Mexico, Nevada, Oklahoma, Utah |

2004 Workbook

INTEREST RATES FOR NONCORPORATE OVERPAYMENTS AND UNDERPAYMENTS OF TAX 1996–2004

| Calendar Quarter Beginning | Rate on Underpayments | Rate on Overpayments |
|----------------------------|-----------------------|----------------------|
| 10/1/2004 | | |
| 7/1/2004 | 4% | 4% |
| 4/4/2004 | 5% | 5% |
| 1/1/2004 | 4% | 4% |
| 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% |

2004 Workbook

FEDERAL APPLICABLE RATES FOR OCTOBER 2002 THROUGH AUGUST 2004

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% |

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% |

2004 Workbook

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% |

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% |

2004 Workbook

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 | 1.36% | 1.36% | 1.36% | 1.36% |
| Mid-term AFR | 2.98% | 2.96% | 2.95% | 2.94% |
| Long-term AFR | 4.74% | 4.69% | 4.66% | 4.64% |

November 2003

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.28% | 1.28% | 1.28% | 1.28% |
| Mid-term AFR | 2.63% | 2.61% | 2.60% | 2.60% |
| Long-term AFR | 4.56% | 4.51% | 4.48% | 4.47% |

December 2003

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.37% | 1.37% | 1.37% | 1.37% |
| Mid-term AFR | 2.75% | 2.73% | 2.72% | 2.71% |
| Long-term AFR | 4.58% | 4.53% | 4.50% | 4.49% |

2004 Workbook

January 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.44% | 1.43% | 1.43% | 1.43% |
| Mid-term AFR | 2.67% | 2.65% | 2.64% | 2.64% |
| Long-term AFR | 4.40% | 4.35% | 4.33% | 4.31% |

February 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.41% | 1.41% | 1.41% | 1.41% |
| Mid-term AFR | 2.64% | 2.62% | 2.61% | 2.61% |
| Long-term AFR | 4.31% | 4.26% | 4.24% | 4.22% |

March 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.30% | 1.30% | 1.30% | 1.30% |
| Mid-term AFR | 2.47% | 2.45% | 2.44% | 2.44% |
| Long-term AFR | 4.19% | 4.15% | 4.13% | 4.11% |

April 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.17% | 1.17% | 1.17% | 1.17% |
| Mid-term AFR | 2.34% | 2.33% | 2.32% | 2.32% |
| Long-term AFR | 4.05% | 4.01% | 3.99% | 3.98% |

May 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.28% | 1.28% | 1.28% | 1.28% |
| Mid-term AFR | 2.52% | 2.50% | 2.49% | 2.49% |
| Long-term AFR | 4.19% | 4.15% | 4.13% | 4.11% |

2004 Workbook

June 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 1.61% | 1.60% | 1.60% | 1.59% |
| Mid-term AFR | 3.06% | 3.04% | 3.03% | 3.02% |
| Long-term AFR | 4.62% | 4.57% | 4.54% | 4.53% |

July 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 2.26% | 2.25% | 2.24% | 2.24% |
| Mid-term AFR | 4.11% | 4.07% | 4.05% | 4.04% |
| Long-term AFR | 5.34% | 5.27% | 5.24% | 5.21% |

August 2004

| | Period For Compounding | | | |
|----------------|------------------------|------------|-----------|---------|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term AFR | 2.37% | 2.36% | 2.35% | 2.35% |
| Mid-term AFR | 4.00% | 3.96% | 3.94% | 3.93% |
| Long-term AFR | 5.21% | 5.14% | 5.11% | 5.09% |

SUMMARY OF SIGNIFICANT TAX PROVISIONS

As of September 1, 2004, expiration dates had not been extended. Readers are cautioned to check for legislation changes before tax planning based upon expiration dates.

| | |
|---|--|
| Above the Line Deduction for Teachers Classroom Expenses | Expired 12/31/2003 |
| Accelerated Depreciation for Qualified Property on an Indian Reservation | Set to expire on 12/31/2004 |
| Additional Bonus Depreciation and Increased Expensing | Set to expire on 12/31/2004 |
| 50% Bonus Depreciation for Qualifying Passenger Automobiles | Set to expire on 12/31/2004 |
| 30% Bonus Depreciation on Qualifying Property | Set to expire on 12/31/2004 |
| Adoption Credit | Set to expire on 12/31/2010 |
| Acceleration of Increase in Child Tax Credit under JGTRRA 2003 | Increase set to expire on 12/31/2004, reduces to \$700 |
| Clean Fuel Vehicles Deduction | Phaseout begins in 2004. Deduction eliminated after 2006 |
| Estate Tax: Increase in Unified Credit Exemption Amount | Increased exemption expires on 12/31/2004 |
| Estate Tax Rates | Lower rates expire on 12/31/2004 |
| Estate Tax: Reduction in Credit for State Death Taxes | No credit allowed after 2004 |
| Gift Tax Rates | Scheduled rate reductions expire in 2010 |
| Generation-Skipping Transfer Tax: Increase in Exemption Amount | Increased exemptions expire in 2010 |
| Individual Alternative Minimum Tax Relief | Returns to 2000 exemption amount in 2005 |
| Individual Income Tax Rate Reductions: JGTRRA 2003 | Acceleration of EGTRRA expires after 2005 |
| Modifications of Individuals Income Tax Rates: EGTRRA 2001 | Set to expire on 12/31/2010 |
| Modification of the "Marriage Penalties": JGTRRA 2003 | Reverts to amounts set under present law at end of 2004 |
| Marriage Penalty Relief under EGTRRA 2001 | Set to expire on 12/31/2010 |
| IRA Contributions and IRA Catch Up Provisions for Those Over Age 50 | Increases to \$1,000 in 2006 and thereafter |
| Above the Line Deduction for Qualified Higher Education Expenses | Set to expire on 12/31/2005 |
| Reduction in Capital Gain Rates for Individuals | Set to expire on 12/31/2008 |
| Dividends of Individuals Taxed at Capital Gain Rates | Set to expire on 12/31/2008 |
| Personal Exemption Phase-out Repeal | Phaseout begins in 2006 and ends 12/31/2010 |
| Overall Limitation on Itemized Deduction Repeal | Phaseout begins in 2006 and ends 12/31/2010 |

2004 Workbook