



## National Tax Advisory<sup>®</sup>

**TO: All Professional Tax Personnel**  
**FROM: Robin Tuttle Christian, CPA**

**NTA-548**  
**DATE: October 5, 2004**

**RE: Updated Quick Access Federal Tax Data Sheet (2003–2005)**

|  | 2005                    | 2004       | 2003       |
|--|-------------------------|------------|------------|
| <b>Standard Deductions</b>                 |                         |            |            |
| Joint or Qualifying Widow(er) (MFJ)        | \$ 10,000 <sup>1</sup>  | \$ 9,700   | \$ 9,500   |
| Single                                     | 5,000 <sup>1</sup>      | 4,850      | 4,750      |
| Head of Household (HOH)                    | 7,300 <sup>1</sup>      | 7,150      | 7,000      |
| Married Filing Separately (MFS)            | 5,000 <sup>1</sup>      | 4,850      | 4,750      |
| Additional for Elderly/Blind—Married       | 1,000 <sup>1</sup>      | 950        | 950        |
| Additional for Elderly/Blind—Unmarried     | 1,250 <sup>1</sup>      | 1,200      | 1,150      |
| Taxpayer Claimed as Dependent <sup>2</sup> | 800 <sup>1</sup>        | 800        | 750        |
| <b>Personal/Dependent Exemption</b>        | \$ 3,200 <sup>1</sup>   | \$ 3,100   | \$ 3,050   |
| <b>Child Tax Credit</b>                    | \$ 1,000                | \$ 1,000   | \$ 1,000   |
| <b>Unearned Income without Kiddie Tax</b>  | \$ 1,600 <sup>1</sup>   | \$ 1,600   | \$ 1,500   |
| <b>Beginning of 15% Bracket</b>            |                         |            |            |
| MFJ  | \$ 14,600 <sup>1</sup>  | \$ 14,300  | \$ 14,000  |
| Single                                     | 7,300 <sup>1</sup>      | 7,150      | 7,000      |
| HOH  | 10,450 <sup>1</sup>     | 10,200     | 10,000     |
| MFS  | 7,300 <sup>1</sup>      | 7,150      | 7,000      |
| Estates and Nongrantor Trusts              | 0                       | 0          | 0          |
| <b>Beginning of 25% Bracket</b>            |                         |            |            |
| MFJ  | \$ 59,400 <sup>1</sup>  | \$ 58,100  | \$ 56,800  |
| Single                                     | 29,700 <sup>1</sup>     | 29,050     | 28,400     |
| HOH  | 39,800 <sup>1</sup>     | 38,900     | 38,050     |
| MFS  | 29,700 <sup>1</sup>     | 29,050     | 28,400     |
| Estates and Nongrantor Trusts              | 2,000 <sup>1</sup>      | 1,950      | 1,900      |
| <b>Beginning of 28% Bracket</b>            |                         |            |            |
| MFJ  | \$ 119,950 <sup>1</sup> | \$ 117,250 | \$ 114,650 |
| Single                                     | 71,950 <sup>1</sup>     | 70,350     | 68,800     |
| HOH  | 102,800 <sup>1</sup>    | 100,500    | 98,250     |
| MFS  | 59,975 <sup>1</sup>     | 58,625     | 57,325     |
| Estates and Nongrantor Trusts              | 4,700 <sup>1</sup>      | 4,600      | 4,500      |
| <b>Beginning of 33% Bracket</b>            |                         |            |            |
| MFJ  | \$ 182,800 <sup>1</sup> | \$ 178,650 | \$ 174,700 |
| Single                                     | 150,150 <sup>1</sup>    | 146,750    | 143,500    |
| HOH  | 166,450 <sup>1</sup>    | 162,700    | 159,100    |
| MFS  | 91,400 <sup>1</sup>     | 89,325     | 87,350     |
| Estates and Nongrantor Trusts              | 7,150 <sup>1</sup>      | 7,000      | 6,850      |
| <b>Beginning of 35% Bracket</b>            |                         |            |            |
| MFJ, Single, HOH                           | \$ 326,450 <sup>1</sup> | \$ 319,100 | \$ 311,950 |
| MFS  | 163,225 <sup>1</sup>    | 159,550    | 155,975    |
| Estates and Nongrantor Trusts              | 9,750 <sup>1</sup>      | 9,550      | 9,350      |

|   | 2005                           | 2004                    | 2003                                    |
|---|--------------------------------|-------------------------|---|
| <b>Beginning/Ending of Personal Exemption</b>     |                                |                         |   |
| <b>Phase-out Range—Based on AGI</b>               |                                |                         |   |
| MFJ   | \$218,950/341,450 <sup>1</sup> | \$214,050/336,550       | \$209,250/331,750                       |
| Single  | 145,950/268,450 <sup>1</sup>   | 142,700/265,200         | 139,500/262,000                         |
| HOH   | 182,450/304,950 <sup>1</sup>   | 178,350/300,850         | 174,400/296,900                         |
| MFS   | 109,475/170,725 <sup>1</sup>   | 107,025/168,275         | 104,625/165,875                         |
| <b>Beginning of Itemized Deduction</b>            |                                |                         |   |
| <b>Phase-out Range—Based on AGI</b>               |                                |                         |   |
| MFJ, Single, HOH                                  | \$ 145,950 <sup>1</sup>        | \$ 142,700              | \$ 139,500                              |
| MFS   | 72,975 <sup>1</sup>            | 71,350                  | 69,750                                  |
| <b>Gift and Estate Tax</b>                        |                                |                         |   |
| Applicable Credit Amount (Estate Tax)             | \$ 1,500,000                   | \$ 1,500,000            | \$ 1,000,000                            |
| Gift Tax Exemption                                | 1,000,000                      | 1,000,000               | 1,000,000                               |
| Gift Tax Annual Exclusion                         | 11,000 <sup>4</sup>            | 11,000                  | 11,000                                  |
| <b>FICA/SE Tax Max Earnings</b>                   | \$ 89,400 <sup>1</sup>         | \$ 87,900               | \$ 87,000                               |
| <b>Auto Standard Mileage Allowances</b>           |                                |                         |   |
| Business  |                                | .375                    | .36                                     |
| Charity Work                                      |                                | .14                     | .14                                     |
| Medical/Moving                                    |                                | .14                     | .12                                     |
| <b>Luxury (Nonelectric) Depreciation Limits</b>   |                                |                         |   |
| <b>Autos</b>                                      |                                |                         |   |
| First Year: Regular                               |                                | \$ 2,960                | \$ 3,060                                |
| with Bonus Depreciation                           |                                | 10,610 <sup>3</sup>     | 7,660 <sup>3</sup> /10,710 <sup>3</sup> |
| Second Year                                       |                                | 4,800                   | 4,900                                   |
| Third Year  |                                | 2,850                   | 2,950                                   |
| Fourth Year and Thereafter                        |                                | 1,675                   | 1,775                                   |
| <b>Light Trucks and Vans</b>                      |                                |                         |   |
| First Year: Regular                               |                                | \$ 3,260                | \$ 3,360                                |
| with Bonus Depreciation                           |                                | 10,910 <sup>3</sup>     | 7,960 <sup>3</sup> /11,010 <sup>3</sup> |
| Second Year                                       |                                | 5,300                   | 5,400                                   |
| Third Year  |                                | 3,150                   | 3,250                                   |
| Fourth Year and Thereafter                        |                                | 1,875                   | 1,975                                   |
| <b>Qualified Transportation Fringe</b>            |                                |                         |   |
| Vehicle/Transit Pass Limit                        | \$ 105 <sup>1</sup>            | \$ 100                  | \$ 100                                  |
| Qualified Parking Limit                           | 200 <sup>1</sup>               | 195                     | 190                                     |
| <b>Max 401(k) and 403(b) Deferral<sup>4</sup></b> | \$14,000/18,000                | \$13,000/16,000         | \$12,000/14,000                         |
| <b>Max SIMPLE Deferral</b>                        | \$10,000/12,000                | \$9,000/10,500          | \$8,000/9,000                           |
| <b>Section 179 Deduction</b>                      | \$ 105,000 <sup>1, 5</sup>     | \$ 102,000 <sup>5</sup> | \$ 100,000 <sup>5</sup>                 |
| Maximum Equipment Purchase                        | 420,000 <sup>1</sup>           | 410,000                 | 400,000                                 |

<sup>1</sup> These are estimated amounts. The IRS has not yet released the official numbers.

<sup>2</sup> If an individual who can be claimed as a dependent on another's return has earned income, the standard deduction is the greater of \$800/750 or \$250 plus the earned income (but no more than the standard deduction).

<sup>3</sup> The luxury automobile limit is increased by (a) \$4,600 for new vehicles placed in service after 9/10/01 and before 5/6/03 and (b) \$7,650 for new vehicles placed in service after 5/5/03 and before 1/1/05.

<sup>4</sup> Limit will be different for certain employees because of the discrimination rules, % of salary limitations, etc. In addition, the higher of the two limits applies only to those age 50 or older.

<sup>5</sup> For taxpayers placing Qualified New York Liberty Zone (QNYLZ) property into service, the Section 179 deduction limit is increased by the lesser of \$35,000 or the cost of the QNYLZ property.