



## National Tax Advisory<sup>®</sup>

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

**NTA-588**  
**DATE:** January 2, 2006

**RE:** Updated Quick Access Federal Tax Data Sheet (2004–2006)

	2006	2005	2004
<b>Standard Deductions</b>			
Joint or Qualifying Widow(er) (MFJ)	\$ 10,300	\$ 10,000	\$ 9,700
Single	5,150	5,000	4,850
Head of Household (HOH)	7,550	7,300	7,150
Married Filing Separately (MFS)	5,150	5,000	4,850
Additional for Elderly/Blind—Married	1,000	1,000	950
Additional for Elderly/Blind—Unmarried	1,250	1,250	1,200
Taxpayer Claimed as Dependent	850 <sup>1</sup>	800	800
<b>Personal/Dependent Exemption</b>	\$ 3,300	\$ 3,200	\$ 3,100
<b>Child Tax Credit</b>	\$ 1,000	\$ 1,000	\$ 1,000
<b>Unearned Income without Kiddie Tax</b>	\$ 1,700	\$ 1,600	\$ 1,600
<b>Beginning of 15% Bracket</b>			
MFJ	\$ 15,100	\$ 14,600	\$ 14,300
Single	7,550	7,300	7,150
HOH	10,750	10,450	10,200
MFS	7,550	7,300	7,150
Estates and Nongrantor Trusts	0	0	0
<b>Beginning of 25% Bracket</b>			
MFJ	\$ 61,300	\$ 59,400	\$ 58,100
Single	30,650	29,700	29,050
HOH	41,050	39,800	38,900
MFS	30,650	29,700	29,050
Estates and Nongrantor Trusts	2,050	2,000	1,950
<b>Beginning of 28% Bracket</b>			
MFJ	\$ 123,700	\$ 119,950	\$ 117,250
Single	74,200	71,950	70,350
HOH	106,000	102,800	100,500
MFS	61,850	59,975	58,625
Estates and Nongrantor Trusts	4,850	4,700	4,600
<b>Beginning of 33% Bracket</b>			
MFJ	\$ 188,450	\$ 182,800	\$ 178,650
Single	154,800	150,150	146,750
HOH	171,650	166,450	162,700
MFS	94,225	91,400	89,325
Estates and Nongrantor Trusts	7,400	7,150	7,000
<b>Beginning of 35% Bracket</b>			
MFJ, Single, HOH	\$ 336,550	\$ 326,450	\$ 319,100
MFS	168,275	163,225	159,550
Estates and Nongrantor Trusts	10,050	9,750	9,550

	2006	2005	2004
<b>Beginning/Ending of Personal Exemption</b>			
<b>Phase-out Range—Based on AGI</b>			
MFJ	\$ 225,750/348,250	\$218,950/341,450	\$ 214,050/336,550
Single	150,500/273,000	145,950/268,450	142,700/265,200
HOH	188,150/310,650	182,450/304,950	178,350/300,850
MFS	112,875/174,125	109,475/170,725	107,025/168,275
<b>Beginning of Itemized Deduction</b>			
<b>Phase-out Range—Based on AGI</b>			
MFJ, Single, HOH	\$ 150,500	\$ 145,950	\$ 142,700
MFS	75,250	72,975	71,350
<b>Gift and Estate Tax</b>			
Applicable Exclusion Amount (Estate Tax)	\$ 2,000,000	\$ 1,500,000	\$ 1,500,000
Gift Tax Exemption	1,000,000	1,000,000	1,000,000
Gift Tax Annual Exclusion	12,000	11,000	11,000
<b>FICA/SE Tax Max Earnings</b>			
	\$ 94,200	\$ 90,000	\$ 87,900
<b>Auto Standard Mileage Allowances</b>			
Business	.445	.405/.485 <sup>3</sup>	.375
Charity Work	.14 <sup>4</sup>	.14 <sup>4</sup>	.14
Medical/Moving	.18	.15/.22 <sup>3</sup>	.14
<b>Luxury (Nonelectric) Depreciation Limits</b>			
<b>Autos</b>			
First Year: Regular	\$ 3,060 <sup>2</sup>	\$ 2,960	\$ 2,960
with Bonus Depreciation	N/A	N/A	10,610
Second Year	4,800 <sup>2</sup>	4,700	4,800
Third Year	2,850 <sup>2</sup>	2,850	2,850
Fourth Year and Thereafter	1,775 <sup>2</sup>	1,675	1,675
<b>Light Trucks and Vans</b>			
First Year: Regular	\$ 3,260 <sup>2</sup>	\$ 3,260	\$ 3,260
with Bonus Depreciation	N/A	N/A	10,910
Second Year	5,300 <sup>2</sup>	5,200	5,300
Third Year	3,150 <sup>2</sup>	3,150	3,150
Fourth Year and Thereafter	1,875 <sup>2</sup>	1,875	1,875
<b>Qualified Transportation Fringe</b>			
Vehicle/Transit Pass Limit	\$ 105	\$ 105	\$ 100
Qualified Parking Limit	205	200	195
<b>Max IRA Contribution<sup>5</sup></b>			
	\$4,000/5,000	\$4,000/4,500	\$3,000/3,500
<b>Max 401(k) and 403(b) Deferral<sup>5</sup></b>			
	\$15,000/20,000	\$14,000/18,000	\$13,000/16,000
<b>Max SIMPLE Deferral<sup>5</sup></b>			
	\$10,000/12,500	\$10,000/12,000	\$9,000/10,500
<b>Section 179 Deduction<sup>6</sup></b>			
Maximum Equipment Purchase	\$ 108,000	\$ 105,000	\$ 102,000
	430,000	420,000	410,000
<b>Earnings Ceiling for Social Security</b>			
Below Full Retirement Age	\$ 12,480	\$ 12,000	\$ 11,640
Full Retirement Age	Unlimited	Unlimited	Unlimited

<sup>1</sup> If an individual who can be claimed as a dependent on another's return has earned income, the standard deduction for 2006 is the greater of \$850 or \$300 plus the earned income (but no more than the standard deduction).

<sup>2</sup> These are estimated amounts. Official numbers have not yet been released.

<sup>3</sup> The rate is \$.405/.15 through 8/31/05 and \$.485/.22 from 9/1/05–12/31/05.

<sup>4</sup> The rate for miles driven for charities in providing Hurricane Katrina relief is \$.29 for 8/25/05–8/31/05, \$.34 for 9/1/05–12/31/05, and \$.32 for 1/1/06–12/31/06.

<sup>5</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>6</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.