

## 2007 TAX INFORMATION FOR INDIVIDUALS

### STANDARD DEDUCTION (The amount to deduct unless itemized deductions are greater)

<u>Filing Status</u>	<u>Under 65</u>	<u>65 or Over</u>		
Single	\$5,350	\$6,650		
Head of household (Blind - add \$1,300 to amounts above)	\$7,850	\$9,150		
	<u>Both Spouses Under 65</u>	<u>One Spouse 65 or Over</u>	<u>Both Spouses 65 or Over</u>	
Married filing jointly/ Qualifying widow (er) (Blind - add \$1,050 to amounts above)	\$10,700	\$11,750	\$12,800	

NOTE: If you can be claimed as a dependent on another person's return, your standard deduction is the greater of (a) \$850 or (b) your earned income plus \$300, up to the standard deduction amount. To this amount you can add the appropriate additional amount for the elderly or blind.

### PERSONAL EXEMPTION

The personal exemption amount is \$3,400 for each individual, the individual's spouse, and each dependent. This amount is reduced (but not below \$1,133) by 2% for each \$2,500 (\$1,250 for married filing separately), or fraction thereof, by which adjusted gross income exceeds the following limits for each filing status:

Single	\$156,400
Head of household	195,500
Married filing jointly/Qualifying widow (er)	234,600
Married filing separately	117,300

NOTE: You may claim an exemption in 2007 for your qualifying child who is under age 19 or a full-time student and under age 24 at the end of 2007. If you cannot claim the exemption under this rule, the child may claim an exemption on his or her own return.

### ANNUAL GIFT AND ESTATE EXCLUSION AMOUNTS

For 2007, the maximum excludable gift is \$12,000 per donee. The first \$2,000,000 of your estate in 2007 and 2008 will not be subject to federal estate tax (\$3,500,000 in 2009). Be aware that there is still Washington state estate tax on the amount above \$2,000,000.

### STANDARD MILEAGE RATE FOR BUSINESS USE

In 2007, the standard mileage rate for all business use miles of a car is 48.5 cents a mile. In 2008, the standard mileage rate for all business use miles of a car is 50.5 cents a mile. You may be able to take a credit if you place an energy efficient motor vehicle or alternative motor vehicle refueling property in service in 2007.

### STANDARD MILEAGE RATE FOR CHARITABLE USE

The standard mileage rate for charitable use miles of a car in 2007 and 2008 is 14 cents a mile.

### 401(k) or 403(b) PLAN LIMITATION

If you are under 50, the 401(k) plan limitation on elective deferrals is \$15,500 for 2007 and 2008. If you are 50 or over, the 401(k) plan limitation on elective deferrals is \$20,500 for 2007 and 2008.

### SIMPLE PLAN LIMITATION

If you are under 50, the SIMPLE plan limitation on elective deferrals is \$10,500 for 2007 and 2008. If you are 50 or over, the SIMPLE plan limitation on elective deferrals is \$13,000 for 2007 and 2008.

### SOCIAL SECURITY TAX WAGE BASE FOR 2008

The social security tax rate will remain at 7.65% in 2008, but the wage base for the FICA tax portion (6.2%) will increase to \$102,000 in 2008, from \$97,500 in 2007. An unlimited amount of wages paid remains subject to the Medicare tax portion (1.45%). In other words, employers will withhold and match 7.65% on gross wages up to \$102,000 and 1.45% on all wages exceeding \$102,000.

Self-employed individuals will pay 15.3% on the first \$102,000 of net self-employment income and 2.9% on net self-employment income exceeding \$102,000.

### INDIVIDUAL TAX RATES

See the chart on the reverse side for calculation of tax.

