

Income Taxes								Estate & Gift Taxes			
2007				2008				For Deaths / Gifts Occurring in 2008			
If Taxable Income Is:			Of The	If Taxable Income Is:			Of The	If Taxable Estate Is:			Of The
Over	But Not >	The Tax Is:	Amount >	Over	But Not >	The Tax Is:	Amount >	Over	But Not >	The Tax Is:	Amount >
Married Filing Jointly:											
\$0	\$15,650	\$0 + 10%	\$0	\$0	\$16,050	\$0 + 10%	\$0	\$0	\$10,000	\$0 + 18%	\$0
15,650	63,700	1,565 + 15%	15,650	16,050	65,100	1,605 + 15%	16,050	10,000	20,000	1,800 + 20%	10,000
63,700	128,500	8,773 + 25%	63,700	65,100	131,450	8,963 + 25%	65,100	20,000	40,000	3,800 + 22%	20,000
128,500	195,850	24,973 + 28%	128,500	131,450	200,300	25,550 + 28%	131,450	40,000	60,000	8,200 + 24%	40,000
195,850	349,700	43,831 + 33%	195,850	200,300	357,700	44,828 + 33%	200,300	60,000	80,000	13,000 + 26%	60,000
349,700	---	94,601 + 35%	349,700	357,700	---	96,770 + 35%	357,700	80,000	100,000	18,200 + 28%	80,000
								100,000	150,000	23,800 + 30%	100,000
Single:								150,000	250,000	38,800 + 32%	150,000
\$0	\$7,825	\$0 + 10%	\$0	\$0	\$8,025	\$0 + 10%	\$0	250,000	500,000	70,800 + 34%	250,000
7,825	31,850	783 + 15%	7,825	8,025	32,550	803 + 15%	8,025	500,000	750,000	155,800 + 37%	500,000
31,850	77,100	4,386 + 25%	31,850	32,550	78,850	4,481 + 25%	32,550	750,000	1,000,000	248,300 + 39%	750,000
77,100	160,850	15,699 + 28%	77,100	78,850	164,550	16,056 + 28%	78,850	1,000,000	1,250,000	345,800 + 41%	1,000,000
160,850	349,700	39,149 + 33%	160,850	164,550	357,700	40,052 + 33%	164,550	1,250,000	1,500,000	448,300 + 43%	1,250,000
349,700	---	101,469 + 35%	349,700	357,700	---	103,792 + 35%	357,700	1,500,000	2,000,000	555,800 + 45%	1,500,000
								2,000,000	---	780,800 + 45%	2,000,000
Estates & Trusts:								Subtract applicable credit below from calculated tax			
\$0	\$2,150	\$0 + 15%	\$0	\$0	\$2,220	\$0 + 15%	\$0	Exclusion Amount		Applicable Credit	
2,150	5,000	323 + 25%	2,150	2,200	5,150	330 + 25%	2,200	2002-2003	\$1,000,000	\$345,800	
5,000	7,650	1,035 + 28%	5,000	5,150	7,850	1,068 + 28%	5,150	2004-2005	\$1,500,000	\$555,800	
7,650	10,450	1,777 + 33%	7,650	7,850	10,700	1,824 + 33%	7,850	2006-2008	\$2,000,000	\$780,800	
10,450	---	2,701 + 35%	10,450	10,700	---	2,764 + 35%	10,700	2009	\$3,500,000	\$1,455,800	
Capital Gains (2003-2010)				C-Corporations: (for all tax years since 1993)				2010	Estate tax repealed; gift tax remains		
		Taxpayer in:		\$0	\$50,000	\$0 + 15%	\$0	2011	\$1,000,000	\$345,800	
S-T < 12 mos		Ordinary rate	Ordinary rate	50,000	75,000	7,500 + 25%	50,000	Annual Gift Tax Exclusion: \$12,000 (\$12,000 in 2007)			
L-T > 12 mos. (5/5/03)		0% (2008-2010)	15%	75,000	100,000	13,750 + 34%	75,000	Gift Tax Unified Credit Exemption: \$1,000,000			
				100,000	335,000	22,250 + 39%	100,000	GSTT Exemption: \$2,000,000 (\$2,000,000 in 2007)			
Dividends (2003-2010)				335,000	10,000,000	113,900 + 34%	335,000				
Kiddie Tax :Unearned inc. <18 (<24 & full time student in 08)				10,000,000	15,000,000	3,400,000 + 35%	10,000,000				
				15,000,000	18,333,333	5,150,000 + 38%	15,000,000				
				18,333,333	---	6,416,667 + 35%	18,333,333				
				Professional Corporation: Flat 35%							
				Personal Exemptions **							
						Exemption	AGI Threshold / Upper Limit				
Standard Deductions		Annual	Add'l Age 65 or Older, or Blind	Married Filing		2007	\$3,400	\$234,600/\$357,100			
Married		2007	\$10,700	Jointly		2008	\$3,500	\$239,950/ \$362,450			
Filing Jointly		2008	\$10,900	Single		2007	\$3,400	\$156,400 / \$278,900			
		2007	\$5,350			2008	\$3,500	\$159,950 / \$282,450			
		2008	\$5,450								
Limit on Itemized Deductions				Child Tax Credit							
Reduced by 3% of taxpayer's AGI in excess of \$159,950 (\$156,400 in 2007)				\$1,000 per child; phases out \$50 for each \$1,000 of AGI over \$110,000 (married filing joint), or \$75,000 (single)							
** Limit is phased out beginning in 2006. 2008-2009 multiply reduction by 33.3%.											
Qualified Plans								Long-Term Care Insurance			
				2007		2008		Max. Qualified LTC Premiums Eligible for Deduction:			
Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)				\$15,500		\$15,500		age 40 or less 41 - 50 51 - 60 61 - 70 Over 70			
Maximum elective deferral to SIMPLE IRA and SIMPLE 401(k)				\$10,500		\$10,500		2007 \$290 \$550 \$1,100 \$2,950 \$3,680			
Maximum elective deferral to 457 plans of tax-exempt employers				\$15,500		\$15,500		2008 \$310 \$580 \$1,150 \$3,080 \$3,850			
Limit on annual additions to SEP IRA plans				\$45,000		\$46,000		Qual. LTC contract per diem limit (\$260 in 2007): \$270			
Annual compensation threshold requiring SEP IRA contribution				\$500		\$500					
Limit on annual additions to defined contribution plans				\$45,000		\$46,000					
Maximum annual compensation taken into account for contributions				\$225,000		\$230,000					
Annual benefit limit under defined benefit plans				\$180,000		\$185,000					
Threshold amount for definition of highly compensated employee				\$100,000		\$105,000					
Threshold amount for definition of key employee in top-heavy plans				\$145,000		\$150,000					
Pension Benefit Guaranty Corp. monthly pension amt.(age 65, single life)				\$4,125.00		\$4,312.50					
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Roth IRAs						IRAs			
AGI Phase-Out Range for Contributions to Roth IRAs: Married Filing Jointly: \$159,000 - \$169,000 Single: \$101,000 - \$116,000 Roth IRA conversion rules: Before 2010: Modified AGI < \$100,000 Can't be "Married Filing Separately" 2010* and later: Unlimited Modified AGI Any tax filing status * 2010 only, conversion can spread income over 2011 and 2012						Contribution Limits – Traditional and Roth			
							<u>2005</u>	<u>2006-2007</u>	<u>2008</u>
						Regular	\$4,000	\$4,000	\$5,000
						Catch-Up *	\$500	\$1,000	\$1,000
						* Only taxpayers age 50 and over are eligible			
Traditional IRA Deductibility Rules						Uniform Lifetime Table			
						For calculating Required Minimum Distributions from Qualified Plans and Traditional IRAs			
Filing Status	Covered by Employer's Retirement Plan?	Modified AGI		Deductibility	Current Age	Distrib. Period	Current Age	Distrib. Period	
		2007	2008						
Single	No	Any amount	Any amount	Full deduction	70	27.4	86	14.1	
	Yes	\$51,999 or less	\$52,999 or less	Full deduction	71	26.5	87	13.4	
		\$52,000 - \$61,999	\$53,000 - \$62,999	Partial deduction	72	25.6	88	12.7	
		\$62,000 or more	\$63,000 or more	No deduction	73	24.7	89	12.0	
Married Filing Jointly	Neither Spouse Covered	Any amount	Any amount	Full deduction	74	23.8	90	11.4	
	Both Spouses Covered	\$82,999 or less	\$84,999 or less	Full deduction	75	22.9	91	10.8	
		\$83,000 - \$102,999	\$85,000 - \$104,999	Partial deduction	76	22.0	92	10.2	
		\$103,000 or more	\$105,000 or more	No deduction	77	21.2	93	9.6	
	One Spouse Covered – For Covered Spouse	\$82,999 or less	\$84,999 or less	Full deduction	78	20.3	94	9.1	
		\$83,000 - \$102,999	\$85,000 - \$104,999	Partial deduction	79	19.5	95	8.6	
		\$103,000 or more	\$105,000 or more	No deduction	80	18.7	96	8.1	
	One Spouse Covered – For Non-Covered Spouse	\$155,999 or less	\$158,999 or less	Full deduction	81	17.9	97	7.6	
\$156,000 - \$165,999		\$159,000 - \$168,999	Partial deduction	82	17.1	98	7.1		
\$166,000 or more		\$169,000 or more	No deduction	83	16.3	99	6.7		
						84	15.5	100	6.3
						85	14.8	101	5.9
Catch-Up Contribution Limits for Other Qualified Plan Types						Saver's Tax Credit—Contributions to Employer Plans & IRAs			
						Maximum Credit \$2,000 - AGI limits below			
						<u>Married File Jointly</u>	<u>Single</u>	<u>Credit</u>	
401(k), 403(b), SARSEP & 457 Plans						\$0 - \$32,000	\$0 - \$16,000	50% of contribution	
SIMPLE IRA & SIMPLE 401(k) Plans						\$32,001 - \$34,500	\$16,001 - \$17,250	20% of contribution	
						\$34,501 - \$53,000	\$17,251 - \$26,500	10% of contribution	
						Over \$53,000	Over \$26,500	Not Available	
Education Incentives						Health Savings Accounts – HSAs			
Coverdell Education Savings Accounts (Education IRAs) – Contribution Limit \$2,000						An "eligible individual" is defined as (1) one covered by a high deductible health plan (HDHP), (an annual deductible of \$1,100 for single coverage and \$2,200 for family coverage where the maximum out pocket cannot exceed \$5,600 for single coverage and \$11,200 for family coverage), (2) is not covered by any other health insurance except for some permitted coverages, (3) is not eligible for and enrolled in Medicare, and (4) cannot be claimed as a dependent on someone else's income tax return.			
Modified AGI Phase-Out Range for Contributions to Coverdell Education Savings Accounts:						Contribution Limits:			
Married Filing Jointly \$190,000 - \$220,000 Single \$95,000 - \$110,000							<u>2007</u>	<u>2008</u>	
Qualified Tuition Programs – Section 529 Plans						Single	\$2,850	\$2,900	
Distributions for qualified higher education expense are income tax free						Family	\$5,650	\$5,800	
Hope and Lifetime Learning Credits									
Hope Credit – Up to \$1,800 per student, for first two years of higher education tuition paid									
Lifetime Learning Credit—Up to 20% of tuition paid (max. \$10,000); calc'd per taxpayer									
Modified AGI Phase-Outs:									
Married Filing Jointly \$94,000-114,000 \$96,000-116,000									
Others \$47,000-57,000 \$48,000-58,000									
Exclusion of U.S. Savings Bond Income									
Modified AGI Phase-Outs:									
Married Filing Jointly \$98,400-128,400 \$100,650-130,650									
Others \$65,600-80,600 \$67,100-82,100									
Student Loan Interest Deduction – Maximum Deduction \$2,500									
Modified AGI Phase-Outs:									
Married Filing Jointly \$110,000 - \$140,000 \$115,000 - \$145,000									
Single \$55,000 - \$70,000 \$55,000 - \$70,000									
Deductibility Period No time limit No time limit									