

# The new tax code: a quick view

College savings		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	529 college savings plans	tax deferred	qualified distributions federal tax free								
	education IRA contributions	\$500	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Retirement plan contribution limits											
Traditional and Roth IRA	participants under age 50	\$2,000	\$3,000	\$3,000	\$3,000	\$4,000	\$4,000	\$4,000	\$5,000	increases indexed for inflation in \$500 increments	
	participants age 50 or older	\$2,000	\$3,500	\$3,500	\$3,500	\$4,500	\$5,000	\$5,000	\$6,000	above limit + \$1,000	
SIMPLE IRA	participants under age 50	\$6,500	\$7,000	\$8,000	\$9,000	\$10,000	\$10,000	increases indexed for inflation in \$500 increments			
	participants age 50 or older	\$6,500	\$7,500	\$9,000	\$10,500	\$12,000	\$12,500	increases indexed for inflation in \$500 increments			
401(k), 403(b), SARSEP	participants under age 50	\$10,500	\$11,000	\$12,000	\$13,000	\$14,000	\$15,000	increases indexed for inflation in \$500 increments			
	participants age 50 or older	\$10,500	\$12,000	\$14,000	\$16,000	\$18,000	\$20,000	above limit + \$5,000 per year			
Estate tax											
	unified credit exemption	\$675,000	\$1M	\$1M	\$1.5M	\$1.5M	\$2M	\$2M	\$2M	\$3.5M	repeal
	estate tax top rate	55%	50%	49%	48%	47%	46%	45%	45%	45%	repeal
Income tax rates											
2000 tax rates											
	15%	bottom portion of 15% bracket replaced by new 10% bracket for first \$6,000 for singles and first \$12,000 for married couples filing jointly							threshold raised to \$7K and \$14K	thresholds indexed to inflation	
	28%	27.5%	27.0%	27.0%	26.0%	26.0%	25.0%	25.0%	25.0%	25.0%	25.0%
	31%	30.5%	30.0%	30.0%	29.0%	29.0%	28.0%	28.0%	28.0%	28.0%	28.0%
	36%	35.5%	35.0%	35.0%	34.0%	34.0%	33.0%	33.0%	33.0%	33.0%	33.0%
	39.6%	39.1%	38.6%	38.6%	37.6%	37.6%	35.0%	35.0%	35.0%	35.0%	35.0%
Family											
	child tax credit	\$600	\$600	\$600	\$600	\$700	\$700	\$700	\$700	\$800	\$1,000
	marriage penalty	no change				gradual increase in standard deduction				double the single level	
	itemized deduction and personal exemptions	continuation of current limits on itemized deduction and personal exemption for those with high AGIs					higher limits to qualify for itemized deductions and personal exemption				limitless deductions, personal exemption for everyone

**Note:** Provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 are scheduled to expire after December 31, 2010. Unless legislatively extended, these provisions will revert back to tax laws in effect prior to passage of EGTRRA of 2001.

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