

Adoption Credit

Maximum credit for a child with special needs	\$12,150
Other adoptions, qualified expenses	Up to \$12,150
Phaseout range, modified adjusted gross income	\$182,180 - \$222,180

Section 179 Expense

Expense Limit	\$250,000
Phaseout Threshold	\$800,000

FICA (SS & Medicare) Wage Base

Social Security Wage Base	\$106,800
Maximum Social Security Tax	\$6,621.60
Medicare Wage Base	No ceiling
Maximum Medicare Wage Tax	No ceiling

Student Loan Interest Deduction

Maximum interest deduction	\$2,500
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Modified Adjusted Gross Income Phaseout:

Married Filing Jointly	\$120,000 to \$150,000
Single/HOH	\$60,000 to \$75,000

Qualifying Child

A qualifying child for purposes of the child tax credit must be all of the following:

1. Claimed as your dependent on line 6c of Form 1040 or Form 1040A.
2. Under age 17 at the end of 2009.
3. Your:
 - a. Son, daughter, adopted child, stepchild, or a descendant of any of them (for example, your grandchild), or
 - b. Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew) whom you cared for as you would your own child, or
 - c. Foster child (any child placed with you by an authorized placement agency whom you cared for as you would your own child).
4. A U.S. citizen or resident alien.

Adopted child. An adopted child is always treated as your own child. An adopted child includes a child placed with you by an authorized placement agency for legal adoption even if the adoption is not final.

Kidnapped child. A kidnapped child is treated as a qualifying child for the child tax credit if both of the following statements are true:

1. The child is presumed by law enforcement authorities to have been kidnapped by someone who is not a member of your family or the child's family.
2. The child qualified as your dependent for the part of the year before the kidnapping.

This treatment applies for all years until the child is returned. However, the last year this treatment can apply is the earlier of:

1. The year there is a determination that the child is dead, or
2. The year the child would have reached age 16.

Dependent Care Credit Limitations

To determine the amount of your credit, multiply your work-related expenses (after applying the earned income and dollar limits) by a percentage. This percentage depends on your adjusted gross income shown on Form 1040, line 37, or Form 1040A, line 21. The following table shows the percentage to use based on adjusted gross income. The maximum eligible to be multiplied by these percentages is \$3,000 per child, maximum of \$6,000 per return.

IF your adjusted gross income is:		Then the percentage is:
Over	But not over	
\$ 0	\$15,000	35%
15,000	17,000	34%
17,000	19,000	33%
19,000	21,000	32%
21,000	23,000	31%
23,000	25,000	30%
25,000	27,000	29%
27,000	29,000	28%
29,000	31,000	27%
31,000	33,000	26%
33,000	35,000	25%
35,000	37,000	24%
37,000	39,000	23%
39,000	41,000	22%
41,000	43,000	21%
43,000	No limit	20%

Comparison of Education Credits

Hope Credit	Lifetime Learning Credit	American Opportunity
Up to \$1,800/\$3,600/Disaster Area	Up to \$2,000/\$4,000/Disaster Area	Up to \$2,500/Up to 40% is refundable
Calculated as 100% of first \$1,200 tuition (\$2,400 Disaster Area) and related expenses plus 50% of next \$1,200 (\$2,400 Disaster Area)	Maximum lifetime learning rate is 20% 40% in disaster area	100% of first \$2,000 plus 25% of next \$2,000
Available only until the first 2 years of post-secondary education are completed	Available for all years of post-secondary education and for courses to acquire or improve job skills	Available for first – fourth years of college
Available only for 2 years per eligible student	Available for an unlimited number of years	Only available for 2009 and 2010
Student must be pursuing an undergraduate degree or other recognized educational credential	Student does not need to be pursuing a degree or other recognized educational credential	AGI Phase Out between \$80,000 - \$90,000 (160K - 180K)
Student must be enrolled at least half time for at least one academic period beginning during the year	Available for one or more courses	
No felony drug conviction on student's record	Felony drug conviction rule does not apply	

Hope and Lifetime Learning Credits Phaseout

Modified adjusted gross income phaseout :

Married Filing Jointly	\$100,000 to \$120,000
All other Filing Statuses	\$50,000 to \$60,000

Social Security Payback

At full retirement age or older	No limit on earnings
Under full retirement age	\$1 in benefits will be deducted for each \$2 you earn above \$14,160.
In the year you reach full retirement age	Your benefits will be reduced \$1 for every \$3 you earn above \$37,680.

* For 2009, full retirement age is 65 years and 10 months.