

INDIVIDUAL RETIREMENT ACCOUNTS

DEDUCTIBLE IRAs

| | 2009 | 2010 |
|-----------------------|---------|---------|
| Maximum contribution: | | |
| Age 49 and younger | \$5,000 | \$5,000 |
| Age 50 and older | \$6,000 | \$6,000 |

Active participants in employer pension and 401(k) plans are subject to phase-out limits.

ROTH IRAs

- * Nondeductible contribution up to \$5,000
- * \$6,000 for age 50 and older

2009 AGI phase-outs:

| | |
|-------------------|-----------------------|
| Joint filers | \$166,000 - \$176,000 |
| Individual filers | \$105,000 - \$120,000 |

*Qualified distributions can be tax-free

SOCIAL SECURITY

SOCIAL SECURITY TAXES

| Employer/ Employee | Tax Rate | Wage Base 2009 | Wage Base 2010 |
|-----------------------|----------------|-------------------|-------------------|
| FICA | 6.20% | \$106,800 | \$106,800 |
| Medicare | 1.45% 7.65% | No Limit | No Limit |

| Self Employed | Tax Rate | Wage Base 2009 | Wage Base 2010 |
|------------------|-----------------|-------------------|-------------------|
| FICA | 12.40% | \$106,800 | \$106,800 |
| Medicare | 2.90% 15.30% | No Limit | No Limit |

SOCIAL SECURITY BENEFITS

Maximum Annual Earned Income Limit

| | 2009 | 2010 |
|--|----------|----------|
| Under full retirement age* (65 years old) | \$37,680 | \$37,680 |

*For 2010, \$1 in benefits will be withheld for every \$2 above an exempted annual earnings amount of \$14,160 for retirees, under full retirement age, who work (as compared to \$14,160 in 2009).

BUSINESS

STANDARD MILEAGE RATES (rate per mile)

| Use | 2009 (¢) | 2010 (¢) |
|------------|-------------|-------------|
| Business | 55 | 50 |
| Charitable | 14 | 14 |
| Medical | 24 | 16.5 |
| Moving | 24 | 16.5 |

SECTION 179 EXPENSE

| | 2009 | 2010 |
|--|-----------|-----------|
| Maximum expense election phase-out begins at \$800,000 of asset purchases (\$530,000 for 2010) | \$250,000 | \$134,000 |

SUVs and light trucks with gross vehicle weight in excess of 6,000 lbs. \$ 25,000 \$ 25,000

LUXURY AUTO LIMITATIONS

Remember, depreciation deductions for passenger automobiles are further reduced by the luxury automobile limits that cap the amount of depreciation that can be taken into account before considering reductions arising from personal use. Luxury automobiles are generally defined as passenger vehicles with an unloaded gross vehicle weight of 6,000 pounds or less.

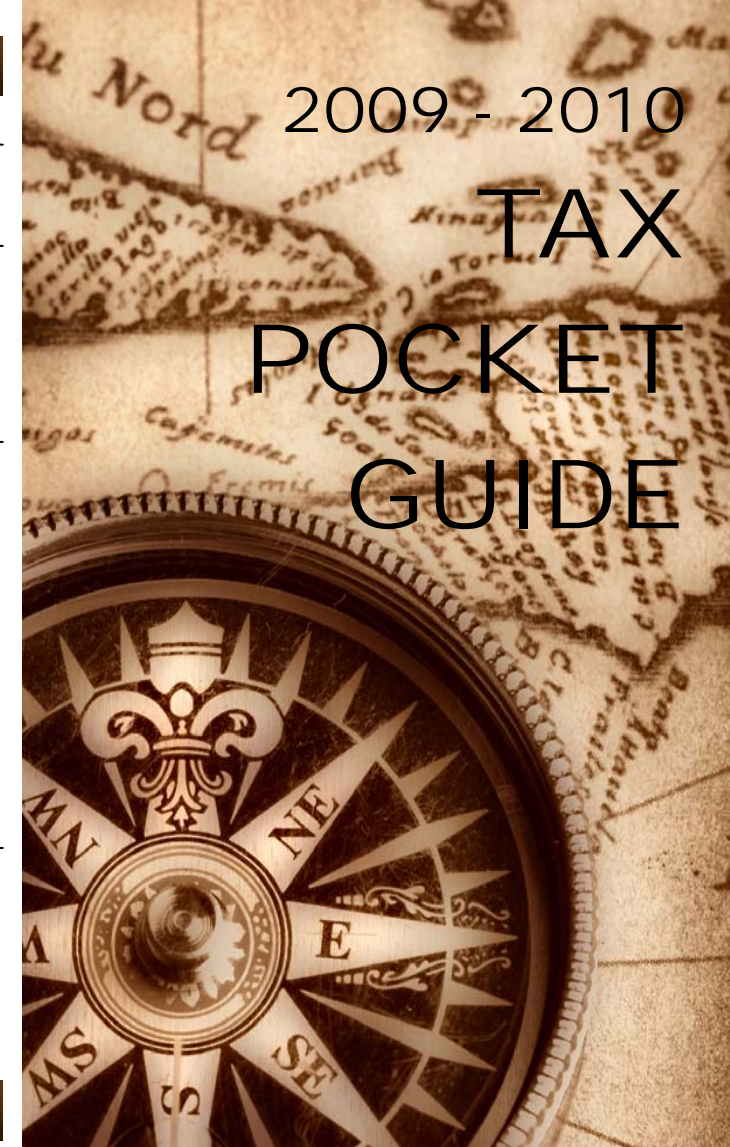
RETIREMENT PLANS

MAXIMUM CONTRIBUTIONS TO PENSION PLANS

The maximum employee contribution into 401(k) and 403(b) plans is as follows:

| Year | Maximum Employee Contribution if Under Age 50 | Maximum Employee Catch-up Contribution if Age 50 or Older |
|------|---|---|
| 2009 | \$16,500 | \$5,500 |
| 2010 | \$16,500 | \$5,500 |

Disclaimer: Many of the amounts used in this guide are adjusted annually for inflation and/or tax law changes. As we go to press, this is the most current information available. We suggest you talk to a tax professional regarding your own situation.



2009 - 2010 TAX POCKET GUIDE

PS&Co.

Padgett Stratemann & Co. LLP
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDIVIDUAL TAX RATE SCHEDULE

2009 Rates

If Taxable Income Is Between: Your Tax Is: Of Amount Over:

SINGLE

| | | |
|---------------------|---------------|---------|
| \$0 - 8,350 | 10% | \$ 0 |
| \$8,350 - 33,950 | 835 + 15% | 8,350 |
| \$33,950 - 82,250 | 4,675 + 25% | 33,950 |
| \$82,250 - 171,550 | 16,750 + 28% | 82,250 |
| \$171,550 - 372,950 | 41,754 + 33% | 171,550 |
| \$372,950 and above | 108,216 + 35% | 372,950 |

MARRIED, FILING JOINTLY OR SURVIVING SPOUSE

| | | |
|---------------------|------------------|---------|
| \$0 - 16,700 | 10% | \$ 0 |
| \$16,700 - 67,900 | 1,670 + 15% | 16,700 |
| \$67,900 - 137,050 | 9,350 + 25% | 67,900 |
| \$137,050 - 208,850 | 26,637.50 + 28% | 137,050 |
| \$208,850 - 372,950 | 46,741.50 + 33% | 208,850 |
| \$372,950 and above | 100,894.50 + 35% | 372,950 |

2010 Rates

SINGLE

| | | |
|---------------------|------------------|---------|
| \$0 - 8,375 | 10% | \$ 0 |
| \$8,375 - 34,000 | 837.50 + 15% | 8,375 |
| \$34,000 - 82,400 | 4,681.25 + 25% | 34,000 |
| \$82,400 - 171,850 | 16,781 + 28% | 82,400 |
| \$171,850 - 373,650 | 41,827.25 + 33% | 171,850 |
| \$373,650 and above | 108,421.25 + 35% | 373,650 |

MARRIED, FILING JOINTLY OR SURVIVING SPOUSE

| | | |
|---------------------|------------------|---------|
| \$0 - 16,750 | 10% | \$ 0 |
| \$16,750 - 68,000 | 1,675 + 15% | 16,750 |
| \$68,000 - 137,300 | 9,362.50 + 25% | 68,000 |
| \$137,300 - 209,250 | 26,687.50 + 28% | 137,300 |
| \$209,250 - 373,650 | 46,833.50 + 33% | 209,250 |
| \$373,650 and above | 101,085.50 + 35% | 373,650 |

• Refer to current tax code for Head of Household and Married Filing Separately.

STANDARD DEDUCTIONS

| | 2009 | 2010 |
|--|----------|----------|
| Joint return | \$11,400 | \$11,400 |
| Single | 5,700 | 5,700 |
| Head of household | 8,350 | 8,400 |
| Additional amount for 65 or older, or blind: | | |
| Married filing jointly | 1,100 | 1,100 |
| Single/Head of household | 1,400 | 1,400 |
| Additional amount for real property tax | | |
| Married filing jointly | 1,000 | 1,000 |
| Single/Head of household | 500 | 500 |

• You are allowed to deduct the greater of your standard deductions or your itemized deductions.

INDIVIDUAL ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties, you are generally required to pay through withholding or quarterly estimated tax payments the lesser of:

- 100% of prior year tax liability*, or;
- 90% of the current year tax liability

*For individuals whose adjusted gross income for the preceding year is more than \$150,000, the required percentage of the prior year tax liability is 110%.

Estimated tax payments for individuals and trusts are due by:

| | |
|----------------|--------------------|
| April 15, 2010 | September 15, 2010 |
| June 15, 2010 | January 17, 2011 |

DIVIDENDS

Dividends received by individuals from certain qualified corporations are taxed at a maximum tax rate of 15% for investors in the top four brackets. Investors in the bottom two brackets, 10% and 15%, will pay zero tax on dividends from 2008 through 2010. When these tax cuts expire at the end of 2010, all dividends will be taxed as ordinary income.

LONG TERM CAPITAL GAINS

The tax rate on capital gains for assets held more than one year is 15% for taxpayers in the top four brackets and 0% for those in the lowest tax brackets.

| Ordinary Income Tax Bracket | Long Term Capital Gain Rate for 2009 and 2010 |
|-----------------------------|---|
| 10% | 0% |
| 15% | 0% |
| 25, 28, 33 and 35% | 15% |

GAIN ON THE SALE OF PRINCIPAL RESIDENCE

Tax-free gain of up to \$500,000 for joint filers and \$250,000 for single and married filing separately status.

- Must have owned and used the home as principal residence for two of the previous five years.
- Other limitations may apply.

PERSONAL EXEMPTIONS

| | 2009 | 2010 |
|---|---------|---------|
| Deduction for each taxpayer, spouse, and dependent* | \$3,650 | \$3,650 |

*Depending on adjusted gross income, these amounts may be subject to phase out.

CORPORATE INCOME TAX RATES 2009-2010

| TAXABLE INCOME | RATE (%) |
|---------------------------|----------|
| \$0 - 50,000 | 15 |
| \$50,000 - 75,000 | 25 |
| \$75,001 - 100,000 | 34 |
| \$100,001 - 335,000 | 39* |
| \$335,001 - 10,000,000 | 34 |
| \$10,000,001 - 15,000,000 | 35 |
| \$15,000,001 - 18,333,333 | 38 |
| \$18,333,334 - and up | 35 |

*Reflects a 5% surtax which phases out the benefit of the 15% and 25% rates.

PERSONAL SERVICE CORPORATIONS

Flat 35% tax rate

ESTATE AND GIFT TAXES

| YEAR | ESTATE TAX EXEMPTION (\$) | GIFT TAX EXEMPTION (\$) | MAXIMUM TAX RATE (%) |
|------|---------------------------|-------------------------|----------------------|
| 2009 | 3,500,000 | 1,000,000 | 45 |
| 2010 | Unlimited | 1,000,000 | 35 |
| 2011 | 1,000,000 | 1,000,000 | 55 |

ANNUAL GIFT TAX EXCLUSION

| | 2009 | 2010 |
|------------------------|----------|----------|
| Gifts per person | \$13,000 | \$13,000 |
| Joint gifts by spouses | \$26,000 | \$26,000 |

ALTERNATIVE MINIMUM TAX

AMT rates (on taxable excess - i.e., alternative minimum taxable income less exemption amount):

| | |
|-----------------------------|---|
| Individual, Estate, Trust:* | 26% of taxable excess that does not exceed \$175,000 (\$87,500 for married filing separately) |
| | 28% of taxable excess that exceeds \$175,000 (\$87,500 for married filing separately) |

*Tax rate on net capital gain is the same as for regular tax.