

# ***GOLDENBULLETS***

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## **THOUGHT YOU'D LIKE TO SEE THIS!**

**Note:** The total number of federal estate tax returns filed in 2005 with a gross estate of \$1.5 million or more was 39,481. Of those returns, only 18,431 were taxable.

Knowing what's coming is always helpful in planning. Here's a preview of 2007 income tax rate schedules.

### **CORPORATE INCOME TAX RATES**

<b>Taxable Income</b>	<b>Tax</b>
Not over <b>\$50,000</b>	<b>15%</b> of the Taxable Income
Over <b>\$50,000</b> but not over <b>\$75,000</b>	<b>\$7,500 plus 25%</b> of the excess over <b>\$50,000</b>
Over <b>\$75,000</b> but not over <b>\$10,000,000</b>	<b>\$13,750 plus 34%</b> of the excess over <b>\$75,000</b>
Over <b>\$10,000,000</b>	<b>\$3,388,250 plus 35%</b> of the excess over <b>\$10,000,000</b>

**Note:** The lower brackets are phased out under two circumstances: If taxable income exceeds \$100,000, the tax is increased by the lesser of (i) 5% of the excess of taxable income over \$100,000 or (ii) \$11,750. If taxable income exceeds \$15,000,000, the tax is additionally increased by the lesser of 3% of the excess of taxable income over \$15,000,000 or (ii) \$100,000.

### **MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES**

<b>Taxable Income</b>	<b>Tax</b>
Not over <b>\$15,650</b>	<b>10%</b> of the taxable income
Over <b>\$15,650</b> but not over <b>\$63,700</b>	<b>\$1,565 plus 15%</b> of the excess over <b>\$15,650</b>
Over <b>\$63,700</b> but not over <b>\$128,500</b>	<b>\$8,772.50 plus 25%</b> of the excess over <b>\$63,700</b>
Over <b>\$128,500</b> but not over <b>\$195,850</b>	<b>\$24,972.50 plus 28%</b> of the excess over <b>\$128,500</b>
Over <b>\$195,850</b> but not over <b>\$349,700</b>	<b>\$43,850.50 plus 33%</b> of the excess over <b>\$195,850</b>
Over <b>\$349,700</b>	<b>\$94,601 plus 35%</b> of the excess over <b>\$349,700</b>

### HEADS OF HOUSEHOLDS

Taxable Income	Tax
Not over <b>\$11,200</b>	<b>10%</b> of the taxable income
Over <b>\$11,200</b> but not over <b>\$42,650</b>	<b>\$1,120 plus 15%</b> of the excess over <b>\$11,200</b>
Over <b>\$42,650</b> but not over <b>\$110,100</b>	<b>\$5,837.50 plus 25%</b> of the excess over <b>\$42,650</b>
Over <b>\$110,100</b> but not over <b>\$178,350</b>	<b>\$22,700 plus 28%</b> of the excess over <b>\$110,100</b>
Over <b>\$178,350</b> but not over <b>\$349,700</b>	<b>\$41,810 plus 33%</b> of the excess over <b>\$178,350</b>
Over <b>\$349,700</b>	<b>\$98,355.50 plus 35%</b> of the excess over <b>\$349,700</b>

### UNMARRIED INDIVIDUALS

#### (OTHER THAN SURVIVING SPOUSE AND HEADS OF HOUSEHOLDS)

Not Over <b>\$7,825</b>	<b>10%</b> of the taxable income
Over <b>\$7,825</b> but not over <b>\$31,850</b>	<b>\$782.50 plus 15%</b> of the excess over <b>\$7,825</b>
Over <b>\$31,850</b> but not over <b>\$77,100</b>	<b>\$4,386.25 plus 25%</b> of the excess over <b>\$31,850</b>
Over <b>\$77,100</b> but not over <b>\$160,850</b>	<b>\$15,698.75 plus 28%</b> of the excess over <b>\$77,100</b>
Over <b>\$160,850</b> but not over <b>\$349,700</b>	<b>\$39,148.75 plus 33%</b> of the excess over <b>\$160,850</b>
Over <b>\$349,700</b>	<b>\$101,469.25 plus 35%</b> of the excess over <b>\$349,700</b>

### MARRIED INDIVIDUALS FILING SEPARATE RETURNS

Taxable Income	Tax
Not over <b>\$7,825</b>	<b>10%</b> of the taxable income
Over <b>\$7,825</b> but not over <b>\$31,850</b>	<b>\$782.50 plus 15%</b> of the excess over <b>\$7,825</b>
Over <b>\$31,850</b> but not over <b>\$64,250</b>	<b>\$4,386.25 plus 25%</b> of the excess over <b>\$31,850</b>
Over <b>\$64,250</b> but not over <b>\$97,925</b>	<b>\$12,486.25 plus 28%</b> of the excess over <b>\$64,250</b>
Over <b>\$97,925</b> but not over <b>\$174,850</b>	<b>\$21,915.25 plus 33%</b> of the excess over <b>\$97,925</b>
Over <b>\$174,850</b>	<b>\$47,300.50 plus 35%</b> of the excess over <b>\$174,850</b>

**AS ALWAYS, PLEASE FEEL FREE TO CALL TO DISCUSS THESE OR OTHER MATTERS OF CONCERN.**

*IF YOU PREFER TO RECEIVE "GOLDEN BULLETS" BY EMAIL, PLEASE SEND A NOTE TO ME AT: [rwilson@fraserlawfirm.com](mailto:rwilson@fraserlawfirm.com). Thanks.*

**"Golden Bullets" is provided as a source of general information about current developments in the practice of estate planning and related topics. If you have questions regarding this issue or estate planning in general, please contact me prior to taking action.**

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*Honest, Experienced, Responsive and Compassionate*