

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, also known as the 2010 Tax Relief Act, was signed into law on December 17, 2010. For the purpose of benefiting our clients, we have provided you with some key highlights of this Act.

Individual Tax Rates: Previously, for tax years beginning after Dec. 31, 2010, tax rates were scheduled to rise to 15%, 28%, 31%, 36% and 39.6%. The Act maintains the current rates of 10%, 15%, 25%, 28%, 33% and 35% for the next two years, through 2012.

Estates and Trusts Tax Rates: Beginning after Dec. 31, 2010, the top four income tax rates for estates and trusts were scheduled to rise to 28%, 31%, 36%, and 39.6%. The Act maintains the current rates of 25%, 28%, 33%, and 35% for an additional two years, through 2012.

Bonus Depreciation Extended: The Act extends first-year depreciation to equal 100% of the cost of qualified property placed in service after Sept. 8, 2010 and before Jan. 1, 2012 and 50% of the cost of qualified property placed in service after Dec. 31, 2011 and before Jan. 1, 2013. Thus, for eligible property, business may completely write off the depreciation in their 2011 tax return.