

# 2009 California Tax Rates and Exemptions

The rate of inflation in California, for the period from June 2008 through June 2009, was -1.5%. The 2009 personal income tax brackets are indexed by this amount and are reproduced on the next page. Note: This year many amounts decrease.

## Exemption credits

- Married filing joint and surviving spouse ..... \$196
- Single, married filing separate and HOH..... \$98
- Dependent..... \$98
- Blind ..... \$98
- Age 65 or older ..... \$98

## Phaseout of exemption credits

Higher-income taxpayers' exemption credits are reduced as follows:

	Reduce each credit by:	For each:	Federal AGI exceeds:
Single	\$6	\$2,500	\$160,739
Married filing separate	\$6	\$1,250	\$160,739
Head of Household	\$6	\$2,500	\$241,113
Married filing joint	\$12	\$2,500	\$321,483
Surviving spouse	\$12	\$2,500	\$321,483

When applying the phaseout amount, apply the \$6/\$12 amount to each exemption credit, but do not reduce the credit below zero. If a personal exemption credit is less than the phaseout amount, do not apply the excess against a dependent exemption credit.

### Example of Exemption Credit Phaseout

Joe is a single taxpayer with one dependent. His federal AGI is \$187,000. He must phase out each of his exemptions by \$66. That is,  $(\$187,000 - \$160,739) \div \$2,500 = 11$  (always round up);  $11 \times \$6 = \$66$ . His exemption credit for 2009 is \$64, calculated as follows:

Joe's personal exemption credit is.....	\$98
Less phaseout amount.....	(\$66)
Personal exemption credit allowed is.....	\$32
Joe's dependent credit exemption is.....	\$98
Less phaseout amount.....	(\$66)
Total dependent credit allowed is .....	\$32
Total exemption credit allowed is.....	\$64

## Reduction in itemized deductions

Itemized deductions must be reduced by the lesser of 6% of the excess of the taxpayer's federal AGI over the threshold amount or 80% of the amount of itemized deductions otherwise allowed for the taxable year.

- Single and married filing separate ..... \$160,739
- Head of Household ..... \$241,113
- Married filing joint and surviving spouse ..... \$321,483

## Standard deductions

The standard deduction amounts for:

- Single and married filing separate ..... \$3,637
- Married filing joint, Head of Household and surviving spouse ..... \$7,274
- The minimum standard deduction for dependents..... \$950

## Miscellaneous credits

- Qualified Senior Head of Household Credit is 2% of California taxable income, with a maximum California AGI of \$62,874, and a maximum credit of ..... \$1,185
- Joint Custody Head of Household Credit and Dependent Parent Credit are each 30% of net tax, with a maximum credit of ..... \$387

## Renter's Credit

This nonrefundable, noncarryover credit for renters is available for:

- Single and married filing separate with a California AGI of \$34,412 or less..... \$60 credit
- Married filing joint, Head of Household and surviving spouse with a California AGI of \$68,824 or less..... \$120 credit

## Individual tax rates

- The maximum rate for individuals is..... 9.55%
- Surcharge on income in excess of \$1 million..... 1%
- The AMT rate for individuals is ..... 7.25%

## AMT exemption

- Married filing joint and surviving spouse ..... \$78,817
- Single and Head of Household ..... \$59,114
- Married filing separate, estates and trusts..... \$39,407

## AMT exemption phaseout

- Married filing joint and surviving spouse ..... \$295,564
- Single and Head of Household ..... \$221,674
- Married filing separate, estates and trusts..... \$147,781

## Corporate tax rates

- Corporations other than banks and financials ..... 8.84%
- Banks and financials ..... 10.84%
- AMT rate..... 6.65%
- S corporation rate..... 1.5%

# 2009 California Tax Rate Schedules

## Schedule 1

### Single, Married Filing Separate, and Fiduciaries

If the taxable income is...

Over	But not over	Tax is...			Of amount over...
\$0	\$7,060	\$0.00	Plus	1.25%	\$0
\$7,060	\$16,739	\$88.25	Plus	2.25%	\$7,060
\$16,739	\$26,419	\$306.03	Plus	4.25%	\$16,739
\$26,419	\$36,675	\$717.43	Plus	6.25%	\$26,419
\$36,675	\$46,349	\$1,358.43	Plus	8.25%	\$36,675
\$46,349	And over	\$2,156.54	Plus	9.55%	\$46,349

## Schedule 2

### Married Filing Joint and Surviving Spouses with Dependents

If the taxable income is...

Over	But not over	Tax is...			Of amount over...
\$0	\$14,120	\$0.00	Plus	1.25%	\$0
\$14,120	\$33,478	\$176.50	Plus	2.25%	\$14,120
\$33,478	\$52,838	\$612.06	Plus	4.25%	\$33,478
\$52,838	\$73,350	\$1,434.86	Plus	6.25%	\$52,838
\$73,350	\$92,698	\$2,716.86	Plus	8.25%	\$73,350
\$92,698	And over	\$4,313.07	Plus	9.55%	\$92,698

## Schedule 3

### Unmarried Head of Household

If the taxable income is...

Over	But not over	Tax is...			Of amount over...
\$0	\$14,130	\$0.00	Plus	1.25%	\$0
\$14,130	\$33,479	\$176.63	Plus	2.25%	\$14,130
\$33,479	\$43,157	\$611.98	Plus	4.25%	\$33,479
\$43,157	\$53,412	\$1,023.30	Plus	6.25%	\$43,157
\$53,412	\$63,089	\$1,664.24	Plus	8.25%	\$53,412
\$63,089	And over	\$2,462.59	Plus	9.55%	\$63,089

Note: California has a surcharge of 1% on income in excess of \$1 million for all filing statuses.

Individual Filing Requirements							
Filing Status	Age as of December 31, 2009 <sup>1</sup>	California Gross Income			California Adjusted Gross Income		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of Household	Under 65 65 or older	14,622 19,522	17,889 21,972	20,339 23,932	11,698 16,598	14,965 19,048	17,415 21,008
Married filing joint or separate	Under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	29,245 34,145 39,045	32,512 36,595 41,495	34,962 38,555 43,455	23,396 28,296 33,196	26,663 30,746 35,646	29,113 32,706 37,606
Surviving Spouse	Under 65 65 or older		17,889 21,972	20,339 23,932		14,965 19,048	17,415 21,008
Dependent of another person – Any filing status	Under 65 65 or older	More than your standard deduction More than your standard deduction					

<sup>1</sup> If you turn 65 on January 1, 2010, you are considered to be age 65 at the end of 2009.