

2006 Exemptions and Deductions

Personal and dependency exemptions \$3,300 each person

Phase-out ranges: when adjusted gross income reaches certain levels, personal and dependency exemptions are phased out, effectively increasing the tax burden of individuals in those income ranges. The 2006 phase-out ranges are:

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|----------------------------|---------------------|
| Single taxpayers | \$145,950 - 268,450 |
| Married filing jointly (1) | \$218,950 - 341,450 |
| Married filing separately | \$109,475 - 170,725 |
| Heads of households | \$182,450 - 304,950 |

(1) includes surviving spouses

Standard Deductions: in lieu of itemizing deductions, standard deductions are available when more beneficial than itemized deductions.

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| Single taxpayers | \$5,150 |
| Married filing jointly (1) | \$10,300 |
| Married filing separately | \$5,150 |
| Heads of households | \$7,550 |
| Dependents who need to file (but could be up to \$5,150 depending on the amount of their earned income) | \$850 |

Taxpayers who are blind or age 65 and over may obtain an additional standard deduction of \$1000 if married (whether filing jointly or separately) or \$1,250 if single or head of household. If a taxpayer is both blind and over age 65, double these amounts.