

### What's Left of the Fiscal Cliff (Cliff Notes Version)

The American Taxpayer Relief Act (ATRA) permanently extended many middle-class tax cuts, extended some credits for families, allowed some benefits to expire, while increasing taxes on some taxpayers. What is the tax picture for 2013 (and beyond)? Here's a short snapshot of what you can expect.

Tax Rate	Threshold	Description
39.6%	\$400K single \$450K married	Top individual (human) income tax rate (Watch for Marriage Penalty!!)
Phase out itemized deductions and Personal Exemption	\$250K single \$300K married	Itemized deductions will be phased out (3% of AGI over \$300K) Personal Exemption will be phased out
0% - 15% - 20%	15% tax bracket = 0 > \$200K = 15% > \$400K = 18%	Capital Gains rate based upon income tax bracket
3.8%	Investment	Medicare surcharge
5 years	Convert C Corp to S Corporation	Built-in Gains tax (reduced from 10 years)
6.2%	Employee FICA	Employee FICA rate reduction <i>expired</i>
Section 179	\$500,000	Section 179 depreciation deduction increased to \$500,000 for tax years 2012 and 2013
40%	\$5.25M/single \$10.50/married	Top Estate Tax Rate and new Exemption (adjusted for inflation)
\$1,500	Home Office Deduction	New "safe harbor rules" - actual cost or fixed amount can be used (new for 2013)

**Also note:** Carroll County Income Tax Rate changed to 1.7039% effective January 1.

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