

From the desk of

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When are your Social Security Benefits Taxable?

To the extent that your Social Security benefits are taxable depends on your total income and marital status. If Social Security benefits were your only income for 2008, your benefits are not taxable and you probably do not need to file a federal income tax return.

If you received income from other sources, your benefits will not be taxed unless your modified adjusted gross income is more than the base amounts indicated below for your filing status.

To determine whether you should file a personal income tax return based upon your Social Security Benefits the calculation to determine whether you are required to file a personal income tax return is as follows:

- First, add one half of the total Social Security Benefits you received to all your other income, including any tax exempt interest and other exclusions from income.
- Then, compare this total to the base amount for your filing status. If the total is more than your base amount, some of your benefits may be taxable, and you will need to file a personal income tax return.

The 2008 base amounts are:

- \$32,000 for married couples filing jointly
- \$25,000 for single, head of household, qualifying widow/widower with a dependent child, or married individuals filing separately who did not live with their spouses at any time during the year
- \$0 for married persons filing separately who lived together during the year.

Depending upon what your other source income is will determine how much of

your Social Security Benefits that will be taxable which can be as much as 85% of the total amount received. The taxable income calculation then will determine what income tax bracket is applied to your benefits.

Should you need assistance on this matter, feel free to contact us.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service. Should you have questions relating to any tax or financial matters, or if you know of someone that could benefit from our assistance feel free in calling us at (818) 346-2160, or you can visit us on the web at www.petemcpa.com <<http://www.petemcpa.com>/> !

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