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## Part III

### Administrative, Procedural, and Miscellaneous

26 CFR 601.602: Tax forms and instructions.  
(Also Part I, §§ 1, 24, 25A, 32, 63, 132, 151, 221)

Rev. Proc. 2011-12

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## SECTION 1. PURPOSE

This revenue procedure sets forth inflation adjusted items for 2011. Other inflation adjusted items for 2011 are in Rev. Proc. 2010-40, 2010-46 I.R.B. 663 (dated November 15, 2010).

## SECTION 2. 2011 ADJUSTED ITEMS

.01 Tax Rate Tables. For taxable years beginning in 2011, the tax rate tables under § 1 are as follows:

TABLE 1 - Section 1(a) - Married Individuals Filing Joint Returns and Surviving Spouses

<u>If Taxable Income Is:</u>	<u>The Tax Is:</u>
Not over \$17,000	10% of the taxable income
Over \$17,000 but not over \$69,000	\$1,700 plus 15% of the excess over \$17,000
Over \$69,000 but not over \$139,350	\$9,500 plus 25% of the excess over \$69,000
Over \$139,350 but not over \$212,300	\$27,087.50 plus 28% of the excess over \$139,350
Over \$212,300 but not over \$379,150	\$47,513.50 plus 33% of the excess over \$212,300
Over \$379,150	\$102,574 plus 35% of the excess over \$379,150

TABLE 2 - Section 1(b) – Heads of Households

<u>If Taxable Income Is:</u>	<u>The Tax Is:</u>
Not over \$12,150	10% of the taxable income

Over \$12,150 but not over \$46,250	\$1,215 plus 15% of the excess over \$12,150
Over \$46,250 but not over \$119,400	\$6,330 plus 25% of the excess over \$46,250
Over \$119,400 but not over \$193,350	\$24,617.50 plus 28% of the excess over \$119,400
Over \$193,350 but not over \$379,150	\$45,323.50 plus 33% of the excess over \$193,350
Over \$379,150	\$106,637.50 plus 35% of the excess over \$379,150

TABLE 3 - Section 1(c) – Unmarried Individuals (other than Surviving Spouses and Heads of Households)

<u>If Taxable Income Is:</u>	<u>The Tax Is:</u>
Not over \$8,500	10% of the taxable income
Over \$8,500 but not over \$34,500	\$850 plus 15% of the excess over \$8,500
Over \$34,500 but not over \$83,600	\$4,750 plus 25% of the excess over \$34,500
Over \$83,600 but not over \$174,400	\$17,025 plus 28% of the excess over \$83,600
Over \$174,400 but not over \$379,150	\$42,449 plus 33% of the excess over \$174,400
Over \$379,150	\$110,016.50 plus 35% of the excess over \$379,150

TABLE 4 - Section 1(d) – Married Individuals Filing Separate Returns

<u>If Taxable Income Is:</u>	<u>The Tax Is:</u>
Not over \$8,500	10% of the taxable income
Over \$8,500 but	\$850 plus 15% of

not over \$34,500	the excess over \$8,500
Over \$34,500 but not over \$69,675	\$4,750 plus 25% of the excess over \$34,500
Over \$69,675 but not over \$106,150	\$13,543.75 plus 28% of the excess over \$69,675
Over \$106,150 but not over \$189,575	\$23,756.75 plus 33% of the excess over \$106,150
Over \$189,575	\$51,287 plus 35% of the excess over \$189,575

TABLE 5 - Section 1(e) – Estates and Trusts

<u>If Taxable Income Is:</u>	<u>The Tax Is:</u>
Not over \$2,300	15% of the taxable income
Over \$2,300 but not over \$5,450	\$345 plus 25% of the excess over \$2,300
Over \$5,450 but not over \$8,300	\$1,132.50 plus 28% of the excess over \$5,450
Over \$8,300 but not over \$11,350	\$1,930.50 plus 33% of the excess over \$8,300
Over \$11,350	\$2,937 plus 35% of the excess over \$11,350

.02 Child Tax Credit. For taxable years beginning in 2011, the value used in § 24(d)(1)(B)(i) to determine the amount of credit under § 24 that may be refundable is \$3,000.

.03 Hope Scholarship, American Opportunity, and Lifetime Learning Credits.

(1) For taxable years beginning in 2011, the Hope Scholarship Credit under § 25A(b)(1), as increased under § 25A(i) (the American Opportunity Tax Credit), is an

amount equal to 100 percent of qualified tuition and related expenses not in excess of \$2,000 plus 25 percent of those expenses in excess of \$2,000, but not in excess of \$4,000. Accordingly, the maximum Hope Scholarship Credit allowable under § 25A(b)(1) for taxable years beginning in 2011 is \$2,500.

(2) For taxable years beginning in 2011, a taxpayer's modified adjusted gross income in excess of \$80,000 (\$160,000 for a joint return) is used to determine the reduction under § 25A(d)(2) in the amount of the Hope Scholarship Credit otherwise allowable under § 25A(a)(1). For taxable years beginning in 2011, a taxpayer's modified adjusted gross income in excess of \$51,000 (\$102,000 for a joint return) is used to determine the reduction under § 25A(d)(2) in the amount of the Lifetime Learning Credit otherwise allowable under § 25A(a)(2).

.04 Earned Income Credit.

(1) In general. For taxable years beginning in 2011, the following amounts are used to determine the earned income credit under § 32(b). The "earned income amount" is the amount of earned income at or above which the maximum amount of the earned income credit is allowed. The "threshold phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) above which the maximum amount of the credit begins to phase out. The "completed phaseout amount" is the amount of adjusted gross income (or, if greater, earned income) at or above which no credit is allowed. The threshold phaseout amounts and the completed phaseout amounts shown in the table below for married taxpayers filing a joint return include the increase provided in § 32(b)(3)(B)(i), as adjusted for inflation for taxable years beginning in 2011.

Number of Qualifying Children

<u>Item</u>	<u>One</u>	<u>Two</u>	<u>Three or More</u>	<u>None</u>
Earned Income Amount	\$9,100	\$12,780	\$12,780	\$6,070
Maximum Amount of Credit	\$3,094	\$5,112	\$5,751	\$464
Threshold Phaseout Amount (Single, Surviving Spouse, or Head of Household)	\$16,690	\$16,690	\$16,690	\$7,590
Completed Phaseout Amount (Single, Surviving Spouse, or Head of Household)	\$36,052	\$40,964	\$43,998	\$13,660
Threshold Phaseout Amount (Married Filing Jointly)	\$21,770	\$21,770	\$21,770	\$12,670
Completed Phaseout Amount (Married Filing Jointly)	\$41,132	\$46,044	\$49,078	\$18,740

The instructions for the Form 1040 series provide tables showing the amount of the earned income credit for each type of taxpayer.

(2) Excessive investment income. For taxable years beginning in 2011, the earned income tax credit is not allowed under § 32(i) if the aggregate amount of certain investment income exceeds \$3,150.

.05 Standard Deduction.

(1) In general. For taxable years beginning in 2011, the standard deduction amounts under § 63(c)(2) are as follows:

<u>Filing Status</u>	<u>Standard Deduction</u>
Married Individuals Filing Joint Returns and Surviving Spouses (§ 1(a))	\$11,600
Heads of Households (§ 1(b))	\$8,500
Unmarried Individuals (other than Surviving Spouses and Heads of Households) (§ 1(c))	\$5,800
Married Individuals Filing Separate Returns (§ 1(d))	\$5,800

(2) Dependent. For taxable years beginning in 2011, the standard deduction amount under § 63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$950, or (2) the sum of \$300 and the individual's earned income.

(3) Aged or blind. For taxable years beginning in 2011, the additional standard deduction amount under § 63(f) for the aged or the blind is \$1,150. These amounts are increased to \$1,450 if the individual is also unmarried and not a surviving spouse.

.06 Qualified Transportation Fringe. For taxable years beginning in 2011, the monthly limitation under § 132(f)(2)(A), regarding the aggregate fringe benefit exclusion amount for transportation in a commuter highway vehicle and any transit pass, and under § 132(f)(2)(B), regarding the fringe benefit exclusion amount for qualified parking, is \$230.

.07 Personal Exemption.

(1) Exemption amount. For taxable years beginning in 2011, the personal exemption amount under § 151(d) is \$3,700.

.08 Interest on Education Loans. For taxable years beginning in 2011, the \$2,500

maximum deduction for interest paid on qualified education loans under § 221 begins to phase out under § 221(b)(2)(B) for taxpayers with modified adjusted gross income in excess of \$60,000 (\$120,000 for joint returns), and is completely phased out for taxpayers with modified adjusted gross income of \$75,000 or more (\$150,000 or more for joint returns).

### SECTION 3. EFFECTIVE DATE

This revenue procedure applies to taxable years beginning in 2011.

### SECTION 4. DRAFTING INFORMATION

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