



Education Planning	2009	2010	2011
<b>Coverdell education savings accounts (formerly known as education IRAs):</b>			
*Annual contribution limit	\$2,000	\$2,000	\$2,000
*MAGI phaseout range for Coverdell education savings accounts			
Single--phaseout threshold amount	\$95,000	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000	\$220,000
<b>Deduction for qualified higher education expenses</b>			
*Maximum deduction	\$4,000	\$4,000	\$4,000
*MAGI maximum for full \$4,000 deduction			
Single	\$65,000	\$65,000	\$65,000
Married filing jointly	\$130,000	\$130,000	\$130,000
*Reduced deduction available	\$2,000	\$2,000	\$2,000
*MAGI range for \$2,000 deduction			
Single--MAGI greater than this amount:	\$65,000	\$65,000	\$65,000
Single--MAGI does not exceed this amount:	\$80,000	\$80,000	\$80,000
Married filing jointly--MAGI greater than this amount:	\$130,000	\$130,000	\$130,000
Married filing jointly--MAGI does not exceed this amount:	\$160,000	\$160,000	\$160,000
<b>Education loans--interest deduction</b>			
*Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500	\$2,500
*MAGI phaseout range			
Single--phaseout threshold amount	\$60,000	\$60,000	\$60,000
Single--completed phaseout amount after	\$75,000	\$75,000	\$75,000
Married filing jointly--phaseout threshold amount	\$120,000	\$120,000	\$120,000
Married filing jointly--completed phaseout threshold amount	\$150,000	\$150,000	\$150,000
<b>Gift tax exclusion</b>			
Annual gift tax exclusion-- <i>single individual</i>	\$13,000	\$13,000	\$13,000
Annual gift tax exclusion-- <i>joint gift</i>	\$26,000	\$26,000	\$26,000
Lump-sum gift to 529 plan-- <i>single individual</i>	\$65,000	\$65,000	\$65,000
Lump-sum gift to 529 plan-- <i>joint gift</i>	\$130,000	\$130,000	\$130,000
<b>Hope<sup>1</sup> and Lifetime Learning credits</b>			
*Maximum Lifetime Learning credit	\$2,000	\$2,000	\$2,000
*Maximum Hope credit	\$2,500	\$2,500	\$2,500
*MAGI phaseout range for Lifetime Learning Credit			
Single--phaseout threshold amount	\$50,000	\$50,000	\$51,000
Single--completed phaseout amount after	\$60,000	\$60,000	\$61,000
Married filing jointly--phaseout threshold amount	\$100,000	\$100,000	\$102,000
Married filing jointly--completed phaseout threshold amount	\$120,000	\$120,000	\$122,000
*MAGI phaseout range for Hope credit			
Single--phaseout threshold amount	\$80,000	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000	\$160,000
Married filing jointly--completed phaseout threshold amount	\$180,000	\$180,000	\$180,000

<b>Education Planning</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Kiddie tax</b>			
Children pay federal income tax at their parents' rate on any investment income over...	\$1,900	\$1,900	\$1,900
<b>U.S. savings bonds--interest exclusion for higher education expenses:</b>			
*Joint returns			
Phaseout threshold for joint returns	\$104,900	\$105,100	\$106,650
Completed phaseout amount after	\$134,900	\$135,100	\$136,650
*Other returns			
Phaseout threshold for other returns	\$69,950	\$70,100	\$71,100
Completed phaseout amount after	\$84,950	\$85,100	\$86,100

<sup>1</sup> For 2010 through 2012, the Hope Credit is renamed the American Opportunity tax credit.

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