

Are Your Social Security Benefits Taxable?

The Social Security benefits you received in 2010 may be taxable. You should receive a Form SSA1099 which will show the total amount of your benefits. The information provided on this statement along with the following seven facts from the IRS will help you determine whether or not your benefits are taxable.

* How much - if any - of your Social Security benefits are taxable depends on your total income and marital status.

* Generally, if Social Security benefits were your only income for 2010, 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 amount for your filing status.

* Your taxable benefits and modified adjusted gross income are figured on a worksheet in the Form 1040A or Form 1040 Instruction booklet.

* You can do the following quick computation to determine whether some of your benefits may be taxable:

o 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.

o 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.

* The 2010 base amounts are:

o \$32,000 for married couples filing jointly.

o \$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.

o \$0 for married persons filing separately who lived together during the year.

* For additional information on the taxability of Social Security benefits, see IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits. Publication 915 is available on this website or by calling 800-TAX-FORM (800-829-3676).