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[What Are Some Important Tax Changes For 2011?](#)

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Given the last-minute enacted tax changes of 2011, we might feel bewildered as to such changes and their impact on our earnings, savings and investments. Let us briefly explore some of the tax changes for 2011 and further educate ourselves about this salient topic.

1. INCOME TAXES

Income tax rates are to a great extent similar to 2010 with some changes. Here is a breakdown:

<i>SINGLE</i>	<i>Married Filing Jointly</i>	<i>Marginal Tax Rate</i>
Up to \$8,500	Up to \$17,000	10%
Up to \$34,000	Up to \$69,000	15%
Up to \$83,600	Up to \$139,350	25%
Up to \$174,400	Up to \$212,300	28%
Up to \$379,150	Up to \$379,150	33%
Above \$379,150	Above \$379,150	35%

2. INVESTMENT TAXES

Relatively low rates for long-term capital gains and dividends will continue until the end of 2012. For tax payers in the 15% tax bracket or lower, such taxes are zero. For tax payers in 25% tax bracket and above such tax rate is 15%.

3. GIFT TAXES

The annual exclusion per tax payer of \$13,000 is still in place. Each donor may make an unlimited number of \$13,000 gifts, provided they are each to different individuals.

4. ROTH IRA CONVERSION

There is no longer any income limit for converting ordinary IRAs into [Roth IRAs](#), for 2011. Nonetheless, those who convert to Roth IRA in 2011 no longer have the option of deferring their income into later years, as was the case for 2010.

5. ENERGY TAX CREDITS FOR HOMEOWNERS

Congress reduced the amount of tax [credit](#) for home improvement to \$500 for lifetime of taxpayer. This means those who took advantage of last year's \$1,500 tax credit won't qualify under this provision.

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