



2007

Tax Reference Guide

SVA

INDIVIDUALS

2007 INCOME TAX RATES - FEDERAL

MARRIED TAXPAYERS FILING JOINTLY OR SURVIVING SPOUSES

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 15,650	\$ 1,565	15%
\$ 63,700	\$ 8,773	25%
\$ 128,500	\$ 24,973	28%
\$ 195,850	\$ 43,831	33%
\$ 349,700	\$ 94,601	35%

SINGLE

\$ 0	\$ 0	10%
\$ 7,825	\$ 783	15%
\$ 31,850	\$ 4,386	25%
\$ 77,100	\$ 15,699	28%
\$ 160,850	\$ 39,149	33%
\$ 349,700	\$ 101,469	35%

HEAD OF HOUSEHOLD

\$ 0	\$ 0	10%
\$ 11,200	\$ 1,120	15%
\$ 42,650	\$ 5,838	25%
\$ 110,100	\$ 22,700	28%
\$ 178,350	\$ 41,810	33%
\$ 349,700	\$ 98,356	35%

MARRIED FILING SEPARATELY

\$ 0	\$ 0	10%
\$ 7,825	\$ 783	15%
\$ 31,850	\$ 4,386	25%
\$ 64,250	\$ 12,486	28%
\$ 97,925	\$ 21,915	33%
\$ 174,850	\$ 47,301	35%

CAPITAL GAINS

LONG TERM: 15% rate (5% if in 15% bracket) held over 12 months
REAL ESTATE DEPRECIATION RECAPTURE: 25% maximum rate
COLLECTIBLES: 28% maximum rate

KIDDIE TAX

Special rules apply for taxation of unearned income greater than \$1,700 for children under the age of 19 or 24 if a full-time student.

ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties, you are generally required to pay through withholding or estimated tax payments the lesser of:

1. 100% of prior year tax liability, or
2. 90% of current year tax liability.

In 2007, taxpayers with 2006 AGI greater than \$150,000 (greater than \$75,000 for married filing separately) must pay the lesser of:

1. 110% of prior year tax liability, or
2. 90% of current year tax liability.

2007 estimated tax payments for individuals are due in 2007 by:

April 16 June 15 September 17 January 15 (2008)

INDIVIDUALS

2007 STATE TAX RATES - WISCONSIN INDIVIDUAL

MARRIED FILING JOINTLY

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	4.60%
\$ 12,680	\$ 583	6.15%
\$ 25,360	\$ 1,363	6.50%
\$ 190,210	\$ 12,078	6.75%

SINGLE AND HEAD OF HOUSEHOLD

\$ 0	\$ 0	4.60%
\$ 9,510	\$ 437	6.15%
\$ 19,020	\$ 1,022	6.50%
\$ 142,650	\$ 9,058	6.75%

MARRIED FILING SEPARATELY

\$ 0	\$ 0	4.60%
\$ 6,340	\$ 292	6.15%
\$ 12,680	\$ 682	6.50%
\$ 95,100	\$ 6,039	6.75%

2007 STATE TAX RATES - ILLINOIS INDIVIDUAL

All filing statuses 3%

2007 STATE TAX RATES - OTHER

	WISCONSIN	ILLINOIS
Corporate	7.9%	4.8%
Replacement Tax		
C Corporations	N/A	2.5%
Partnerships, S Corporations, Trusts	N/A	1.5%

2007 DEDUCTIONS AND EXEMPTIONS

STANDARD DEDUCTIONS*

Married filing jointly	\$10,700
Single	\$ 5,350
Head of household	\$ 7,850
Married filing separately	\$ 5,350
Additional - blind or elderly	
Single	\$ 1,300
Married	\$ 1,050
Dependent	\$ 850 **

* You are allowed to deduct the greater of your standard deduction or your itemized deductions.

** You are allowed to deduct the greater of the standard deduction or earned income plus \$300 up to the maximum of the regular basic standard deduction.

Some itemized deductions are phased out for upper bracket taxpayers beginning at \$78,200 married filing separately and \$156,400 for all others.

PERSONAL EXEMPTIONS

Deduction for each taxpayer, spouse, and dependent \$ 3,400*

* Phased out in 2007 for upper bracket taxpayers beginning at \$234,600 for joint return, \$156,400 for single, \$195,500 for head of household, and \$117,300 for married filing separately.

INDIVIDUALS

CHILD TAX CREDIT

\$1,000 credit per qualifying child under age 17 (may be refundable under certain circumstances)

Credit reduced by \$50 for every \$1,000 (or fraction) of modified AGI over threshold amounts of:

Single	\$ 75,000
Head of household	\$ 75,000
Married filing jointly	\$ 110,000
Married filing separately	\$ 55,000

ALTERNATIVE MINIMUM TAX (AMT)

Tax rate	26% ≤ \$ 175,000
	28% > \$ 175,000

	<u>Exemption Amount</u>	<u>Phase-out Range</u>
Single	\$ 33,750	\$ 112,500 - 247,500
Head of household	\$ 33,750	\$ 112,500 - 247,500
Married filing jointly	\$ 45,000	\$ 150,000 - 330,000
Married filing separately	\$ 22,500	\$ 75,000 - 165,000

Beginning in 2007, there is a refundable credit with respect to certain long-term unused AMT credits. Credit phases-out for high income taxpayers.

REQUIRED MINIMUM DISTRIBUTION TABLE

Required minimum distribution from IRA or qualified plan is the balance in the plan account as of 12/31 of the prior year (i.e., for 2007, 12/31/06) divided by the distribution period for the beneficiary's age as of the end of 2007.

<u>Employee Age (Years)</u>	<u>Distribution Period</u>	<u>Age of Employee</u>	<u>Distribution Period</u>	<u>Age of Employee</u>	<u>Distribution Period</u>
70	27.4	86	14.1	101	5.9
71	26.5	87	13.4	102	5.5
72	25.6	88	12.7	103	5.2
73	24.7	89	12.0	104	4.9
74	23.8	90	11.4	105	4.5
75	22.9	91	10.8	106	4.2
76	22.0	92	10.2	107	3.9
77	21.2	93	9.6	108	3.7
78	20.3	94	9.1	109	3.4
79	19.5	95	8.6	110	3.1
80	18.7	96	8.1	111	2.9
81	17.9	97	7.6	112	2.6
82	17.1	98	7.1	113	2.4
83	16.3	99	6.7	114	2.1
84	15.5	100	6.3	115+	1.9
85	14.8				

2007 RETIREMENT SAVINGS PLANS

INDIVIDUAL CONTRIBUTION LIMITATION

	<u>Born Before 1958</u>	<u>Born After 1957</u>
401(k), 403(b) & SARSEP Deferral Limit	\$ 20,500	\$ 15,500
SIMPLE Deferral Limit	\$ 13,000	\$ 10,500
457 Deferral Limit*	\$ 20,500	\$ 15,500
SEP	The lesser of 25% of compensation or \$45,000**	
Profit sharing plans	The lesser of 100% of compensation or \$45,000**	
Money purchase pension plans	The lesser of 100% of compensation or \$45,000**	

* Not applicable to all 457 plans; see your plan provider.

**Contributions aggregated from all plans (excluding 401(k), SIMPLE or SARSEP deferrals) are not deductible if they exceed 25% of the total compensation of all eligible employees.

Compensation for self-employed persons is net self-employment income, less 1/2 self-employment tax, less certain retirement contributions.

ANNUAL COMPENSATION LIMIT

Annual compensation limit is \$225,000 for 2007.

Earnings in excess of \$225,000 cannot be used in computing contributions and benefits for most qualified retirement plans.

INDIVIDUAL RETIREMENT ACCOUNTS

\$4,000 maximum deduction per taxpayer including non-working spouse (limit applies to combined contributions to ALL IRAs). If born before 1958, the maximum deduction is \$5,000.

REGULAR IRA:

Phase-out ranges for active participant in another qualified plan:

Single	\$ 52,000 - 62,000 AGI	(no deduction
Head of household	\$ 52,000 - 62,000 AGI	if AGI over
Married filing jointly	\$ 83,000 - 103,000 AGI	limits)
Married filing separately	\$ 0 - 10,000 AGI	

Phase-out range for non-active participant spouse of active participant in another plan:

Married filing jointly \$ 156,000 - 166,000 AGI

ROTH IRA:

Non-deductible contribution - \$4,000 maximum (\$5,000 if born before 1958)

Phase-out ranges for contribution:

Single	\$ 99,000 - 114,000 AGI
Head of household	\$ 99,000 - 114,000 AGI
Married filing jointly	\$ 156,000 - 166,000 AGI
Married filing separately	\$ 0 - 10,000 AGI

Rollover of regular IRA to Roth IRA: AGI in year of rollover must be \leq \$100,000.

SAVER'S TAX CREDIT

Tax credit equal to applicable percentage (below) of first \$2,000 of contributions to IRA, Roth IRA, 401(k), 403(b), 457, SIMPLE, or SEP plans. Maximum credit is \$1,000. Credit does not apply if under age 18, a full-time student, or can be claimed as a dependent by another taxpayer.

Phase-out ranges:

Married filing jointly	\$ 0 - 31,000	50% credit
	\$ 31,001 - 34,000	20% credit
	\$ 34,001 - 52,000	10% credit
Single Married filing separately	\$ 0 - 15,500	50% credit
	\$ 15,501 - 17,000	20% credit
	\$ 17,001 - 26,000	10% credit
Head of household	\$ 0 - 23,250	50% credit
	\$ 23,251 - 25,500	20% credit
	\$ 25,501 - 39,000	10% credit

FIDUCIARY

2007 FIDUCIARY TAX RATES - FEDERAL

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	15%
\$ 2,150	\$ 323	25%
\$ 5,000	\$ 1,035	28%
\$ 7,650	\$ 1,777	33%
\$ 10,450	\$ 2,701	35%

2007 FIDUCIARY TAX RATES - WISCONSIN

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	4.60%
\$ 9,510	\$ 437	6.15%
\$ 19,020	\$ 1,022	6.50%
\$ 142,650	\$ 9,058	6.75%

INDIVIDUALS

2007 ESTATE AND GIFT TAX RATES - FEDERAL

Base Amount Subject to Tax	Tax Before Credits*	% on Excess Over Base
\$ 0	\$ 0	18%
\$ 10,000	\$ 1,800	20%
\$ 20,000	\$ 3,800	22%
\$ 40,000	\$ 8,200	24%
\$ 60,000	\$ 13,000	26%
\$ 80,000	\$ 18,200	28%
\$ 100,000	\$ 23,800	30%
\$ 150,000	\$ 38,800	32%
\$ 250,000	\$ 70,800	34%
\$ 500,000	\$ 155,800	37%
\$ 750,000	\$ 248,300	39%
\$ 1,000,000	\$ 345,800	41%
\$ 1,250,000	\$ 448,300	43%
\$ 1,500,000	\$ 555,800	45%

* Tax shown above is before the application of the **lifetime unified credit of \$780,800**, which is equivalent to an **exemption of \$2,000,000** (applies to gifts made and estates of decedents dying during 2007).

The total amount of tax-free transfers a person may make during his or her lifetime is \$1,000,000 in addition to annual exclusion gifts.

2007 ESTATE TAX RATES - WISCONSIN

Base Amount Subject to Tax	Tax Before Credits*	% on Excess Over Base
\$ 0	\$ 0	0%
\$ 40,000	\$ 0	0.8%
\$ 90,000	\$ 400	1.6%
\$ 140,000	\$ 1,200	2.4%
\$ 240,000	\$ 3,600	3.2%
\$ 440,000	\$ 10,000	4.0%
\$ 640,000	\$ 18,000	4.8%
\$ 840,000	\$ 27,600	5.6%
\$ 1,040,000	\$ 38,800	6.4%
\$ 1,540,000	\$ 70,800	7.2%
\$ 2,040,000	\$ 106,800	8.0%
\$ 2,540,000	\$ 146,800	8.8%
\$ 3,040,000	\$ 190,800	9.6%
\$ 3,540,000	\$ 238,800	10.4%
\$ 4,040,000	\$ 290,800	11.2%
\$ 5,040,000	\$ 402,800	12.0%
\$ 6,040,000	\$ 522,800	12.8%
\$ 7,040,000	\$ 650,800	13.6%
\$ 8,040,000	\$ 786,800	14.4%
\$ 9,040,000	\$ 930,800	15.2%
\$ 10,040,000	\$ 1,082,800	16.0%

* The exemption equivalent for Wisconsin for deaths occurring in 2007 is \$675,000. The Illinois exemption equivalent is equal to the federal amount of \$2,000,000.

ANNUAL GIFT TAX EXCLUSION

Gifts per person	\$ 12,000
Joint gifts by spouses	\$ 24,000
Gifts to non-U.S. citizen spouse	\$ 125,000

CORPORATE

2007 INCOME TAX RATES

REGULAR TAX

Taxable Income		Rate
\$	0 - \$ 50,000	15%
\$	50,001 - \$ 75,000	25%
\$	75,001 - \$ 100,000	34%
\$	100,001 - \$ 335,000	39%
\$	335,001 - \$ 10,000,000	34%
\$	10,000,001 - \$ 15,000,000	35%
\$	15,000,001 - \$ 18,333,333	38%
\$	>18,333,334	35%

CAPITAL GAINS TAX RATE

Same as regular tax rate

PERSONAL SERVICE CORPORATIONS

Taxed at flat rate of 35%

ALTERNATIVE MINIMUM TAX (AMT)

Tax rate	20%
Exemption amount	\$40,000*

* Phased out for AMT income above \$150,000

AMT repealed for small business corporations for taxable years beginning after December 31, 1997. (Small business corporation - 3 year average gross receipts of less than \$7,500,000 (\$5,000,000 for 1st 3 year period))

MISCELLANEOUS

2007 DEDUCTIONS, CREDITS AND OTHER

RESIDENTIAL ENERGY CREDITS

If you are an owner of an existing home, you may utilize a lifetime credit of up to \$500 for various energy-efficient improvements. The improvements to your personal residence in 2006 or 2007 must be designed to reduce heat loss or gain and last for at least five years. Improvements may also need to meet specified criteria for your climate zone. You may receive a 10% credit for adding insulation, energy-efficient windows, skylights, doors, or a coated metal roof.

CHARITABLE CONTRIBUTIONS

All donations must be substantiated by bank record or written communication from the charity. Donated items of used clothing and household goods must be in "good used" condition or better. Certain exceptions exist if you attach a qualified appraisal to your return.

TAX-FREE DISTRIBUTIONS FROM IRAS

A distribution made directly by an IRA trustee to a qualifying charitable organization may be excluded from gross income. The IRA owner must have attained the age of 70-1/2. The exclusion, which does count toward the minimum distribution rules, may not exceed \$100,000 per taxpayer.

SECTION 179

Federal and Illinois: The limitation on expensing depreciable business property is \$125,000 for taxable years beginning in 2007. This amount is reduced by the amount of qualifying property placed in service in 2007 that exceeds \$500,000.

Heavy SUVs placed in service after 10/22/04 that weigh 6,000-14,000 pounds are limited to \$25,000 of section 179 expense.

Wisconsin: Maximum expensing limit is \$25,000 and is reduced if qualifying property placed in service exceeds \$200,000.

MISCELLANEOUS

2007 DEDUCTIONS, CREDITS AND OTHER

MORTGAGE INSURANCE PREMIUMS

Premiums paid for qualified mortgage insurance on a residence are treated as mortgage interest and are deductible beginning in 2007. Phase-out ranges apply.

TAX PAYMENTS

Employers with more than \$200,000 in depository taxes in 2005 are required to electronically deposit all depository taxes (i.e., payroll taxes, corporate income and estimated taxes, excise taxes, other withheld taxes) using the Electronic Federal Tax Payment System (EFTPS).

STANDARD MILEAGE DEDUCTIONS

Business	48.5¢ per mile
Charitable	14¢ per mile
Medical	20¢ per mile
Moving	20¢ per mile

SELF-EMPLOYED MEDICAL INSURANCE PREMIUMS

The deduction limitation for self-employed medical insurance premiums is 100%.

2007 EMPLOYMENT TAX RATES

SOCIAL SECURITY TAXES

	Employer or Employee Tax Rate	Self-Employed Tax Rate	Wage Base 2006/2007
FICA	6.20%	12.40%	\$94,200/\$97,500
Medicare	1.45%	2.90%	No Limit
Total	7.65%	15.30%	

2007 SOCIAL SECURITY BENEFITS

MAXIMUM ANNUAL EARNED INCOME LIMIT

Under full retirement age*	\$ 12,960
Full retirement age*	No limit

If reaching full retirement age in 2007, limit is \$2,870/month until the month you reach full retirement age.

*Full retirement age is 65 and 8 months for those born in 1941; for those born in 1942, full retirement age is 65 and 10 months.

TAXABLE BENEFITS

Social Security received is taxable if AGI (Adjusted Gross Income), plus tax-exempt interest, and one half of Social Security received exceeds the base amounts. The taxable amount is the lesser of the percentage of excess over the base amount, or the percentage of benefit received.

	50%	85%
Married filing jointly	\$ 32,001 - \$ 44,000	\$ 44,001 +
Single/Head of household	\$ 25,001 - \$ 34,000	\$ 34,001 +
Married filing separately	\$ 0	\$ 0

MEDICARE PREMIUMS

Beginning in 2007, higher-income participants will pay more for Medicare premiums which are deducted from Social Security. The Medicare premiums will be based upon the recipient's modified adjusted gross income (MAGI) for the 2005 tax year. The higher the MAGI, the higher the "surcharge" will be. Medicare beneficiaries affected by this were notified by letters mailed in November 2006.

MISCELLANEOUS

2007 DEPRECIATION RATES

ASSETS

3 - YEAR ASSETS (200% DB)

Dies, molds, small tools, certain horses

5 - YEAR ASSETS (200% DB)

Autos, light/heavy-duty trucks, computers, typewriters, copiers, medical equipment, construction equipment, wholesale/retail equipment, oil and gas drilling equipment, private aircraft, some manufacturing equipment, tangible personal property used in rental real estate activity

7 - YEAR ASSETS (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

7 - YEAR ASSETS (150% DB)

Farm equipment

15 - YEAR ASSETS (200% DB)

Landscaping, paving, sidewalks, nonagricultural fences, leasehold improvements, and restaurant improvements

27½ - YEAR ASSETS (Straight-line)

Rental houses, apartments, low-income housing

39 - YEAR ASSETS (Straight-line)

Office buildings, shopping centers, warehouses, manufacturing facilities

ANNUAL RECOVERY

Percent of Original Depreciable Basis Under 200% DB Method

(Not applicable for mid-quarter convention)

Recovery Year	3 - Year Class	5 - Year Class	7 - Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

REAL PROPERTY DEPRECIATION

Recovery Percentages for Residential Rental Property (27.5 Year)

(Rounded to two decimal points)

Recovery

Year Month Placed in Service

Year	1	2	3	4	5	6	7	8	9	10	11	12
1	3.48	3.18	2.88	2.58	2.27	1.97	1.67	1.36	1.06	.76	.45	.15
2 - 27	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64
28	1.88	2.18	2.48	2.78	3.09	3.39	3.64	3.64	3.64	3.64	3.64	3.64
29	0	0	0	0	0	0	.05	.36	.66	.96	1.27	1.57

Recovery Percentages for Nonresidential Real Property (39 Year)

(Rounded to three decimal points)

Property placed in service after May 12, 1993

Recovery

Year Month Placed in Service

Year	1	2	3	4	5	6	7	8	9	10	11	12
1	2.461	2.247	2.033	1.819	1.605	1.391	1.177	.963	.749	.535	.321	.107
2 - 39	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564
40	.107	.321	.535	.749	.963	1.177	1.391	1.605	1.819	2.033	2.247	2.461

MISCELLANEOUS

VEHICLE DEPRECIATION

Maximum depreciation deduction for passenger vehicles placed in service in 2007.

	Cars	Vans/Trucks
1st Year	\$ 3,060	\$ 3,260
2nd Year	\$ 4,900	\$ 5,200
3rd Year	\$ 2,850	\$ 3,050
Remaining Years	\$ 1,775	\$ 1,875

EDUCATIONAL OPTIONS

Either credit may be claimed on a per student basis, and distributions from an education IRA may be excluded from income as long as the distribution is not used for the same educational expenses for which the credit is claimed.

HOPE SCHOLARSHIP CREDIT

Non-refundable credit of up to \$1,650 per student for first two years of post-secondary education. (100% of first \$1,100 and 50% of second \$1,100 of qualified tuition and fees.) See phase-out ranges under Lifetime Learning Credit below.

LIFETIME LEARNING CREDIT

Non-refundable credit of up to \$2,000 (20% of up to \$10,000 of qualified tuition and fees) per tax return for expenses paid and education after January 1, 2007. (Adjusted Gross Income represented as AGI.)

Phase-out ranges for both credits:

Single	\$ 47,000 - 57,000 AGI
Head of household	\$ 47,000 - 57,000 AGI
Married filing jointly	\$ 94,000 - 114,000 AGI
Married filing separately	credit not available

HIGHER EDUCATION EXPENSES

Annual deduction of up to \$4,000 allowed for taxpayers with AGI not more than \$65,000 (\$130,000 for joint return).

Annual deduction of up to \$2,000 allowed for taxpayers with AGI of \$65,001 - \$80,000 (\$130,001 - \$160,000 for joint return).

No deduction if AGI over \$80,000 (\$160,000 for joint return).

COVERDELL EDUCATION SAVINGS ACCOUNTS (EDUCATION IRA)

Non-deductible contributions of up to \$2,000 per beneficiary per year. Distributions excludable from gross income if used to pay qualified education expenses. Phase-out ranges apply.

STUDENT LOAN INTEREST DEDUCTION

Maximum deduction for 2006 is \$2,500 for interest on qualified education loans. Phase-out of deduction:

Single	\$ 55,000 - 70,000 AGI
Head of household	\$ 55,000 - 70,000 AGI
Married filing jointly	\$110,000 - 140,000 AGI
Married filing separately	not available

QUALIFIED TUITION PROGRAMS/529 PLANS/EDVEST

Wisconsin allows a subtraction from income of up to \$3,000 per dependent child, spouse, taxpayer, grandchild, great-grandchild, niece, or nephew for contributions made to the EdVest College Savings Program.

Illinois allows a subtraction for contributions made to the "Bright Start" or "Bright Directions" College Savings Pool and the "College Illinois" Illinois Prepaid Tuition Trust Fund up to \$10,000 if single and \$20,000 if married filing a joint return.

MISCELLANEOUS

PER DIEM RATES

Continental U.S. (CONUS)	Lodging	Meals + Incidental Expenses (M&IE)	Total
Standard Rate*	\$60	\$39	\$99

*Higher rates may apply to designated "high cost" areas and travel outside of the continental U.S.

HEALTH SAVINGS ACCOUNTS (HSAs)

ELIGIBILITY

An eligible individual is one who for any month is:

- Covered under a high-deductible health plan (HDHP) on the first day of any month
- Not covered under any non-high-deductible health plan providing the same coverage
- Not a dependent of another taxpayer, and
- Not age 65 or older and enrolled for Medicare benefits.
- Note - no income limits for eligibility for an HSA.

HIGH DEDUCTIBLE HEALTH PLAN

For 2007:

- Annual deductible of at least \$1,100 (self-only coverage) or \$2,200 (family coverage), and
- Annual expenses limited to \$5,500 (self-only) or \$11,000 (family) - deductible plus out-of-pocket expenses not including premiums.

CONTRIBUTIONS

For 2007, monthly contributions are 1/12th of:

- Self-only coverage - \$2,850
- Family coverage - \$5,650
- Additional "catch-up" contribution for those aged 55 years and older - \$800

DISTRIBUTIONS

- Excluded from gross income if used to pay qualified medical expenses. Medical expenses paid with HSA funds are not deductible as itemized medical expenses.
- Included in gross income if not used for qualified medical expenses. Plus subject to additional 10% tax. (Exception - if distribution is made after beneficiary's death, disability, or attaining age 65.)
- Generally, HSA funds may not be used to pay health insurance premiums.

CAUTIONS

- Participation in an FSA (flexible spending account) or an HRA (health reimbursement account) may make you ineligible for an HSA.
- Participation in any other type of health plan may make you ineligible for an HSA.
- HSAs may not be separately established for minor dependent children.

STATE TREATMENT OF HSAs

- Wisconsin does not follow the federal rules regarding HSAs. Therefore, for Wisconsin - no deduction for contributions to an HSA; earnings are taxable currently; and distributions are not taxable.
- Illinois follows the federal rules.

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