



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

OFFICE OF
CHIEF COUNSEL

April 26, 2010

Number: **INFO 2010-0125**
Release Date: 6/25/2010

CC:ITA:B04:
CONEX-115321-10

UIL: 1.00-00

Dear _____ :

I am responding to your inquiry dated February 23, 2009, to the President of the United States. You are a retired teacher who suggests that a separate tax schedule be established for individuals age 65 and over whose sole income is from a pension.

Congress has established the following four statuses for filing federal income tax returns: single, married filing jointly, married filing separately, and head of household. Only Congress can create a new filing status.

Congress, however, has enacted laws to provide favorable tax treatment to individuals age 65 and over. Congress allows unmarried individuals age 65 and over an additional standard deduction, which is \$1,400 for the 2010 tax year (section 63(c) of the Internal Revenue Code (the Code). Further, Congress provides a credit against the tax owed by lower-income single elderly taxpayers of up to \$750 (section 22 of the Code).

You indicate that about one-half of your monthly pension is withheld for federal income taxes. For individuals using the single filing status for 2010, the highest rate for the regular federal income tax is 35 percent, which applies to the taxpayer's income in excess of \$373,650 for the 2010 tax year. For example, for the 2010 tax year, an individual with taxable income of \$100,000 who uses the single filing status would have a regular federal income tax liability under section 1 of the Code of \$21,709.25, or just under 22 percent of taxable income.

I hope this information is helpful. If you have any additional questions, please contact me or _____, Identification Number _____ at _____.

Sincerely,

Michael J. Montemurro
Chief, Branch 4
Office of Associate Chief Counsel
(Income Tax and Accounting)