

## Income Taxes

2016				2017			
If Taxable Income Is:				If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over	Over	But Not More Than	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>				<b>Married Filing Jointly:</b>			
\$0	\$18,550	\$0 + 10%	\$0	\$0	\$18,650	\$0 + 10%	\$0
18,550	75,300	1,855.00 + 15%	18,550	18,650	75,900	1,865.00 + 15%	18,650
75,300	151,900	10,367.50 + 25%	75,300	75,900	153,100	10,452.50 + 25%	75,900
151,900	231,450	29,517.50 + 28%	151,900	153,100	233,350	29,752.50 + 28%	153,100
231,450	413,350	51,791.50 + 33%	231,450	233,350	416,700	52,222.50 + 33%	233,350
413,350	466,950	111,818.50 + 35%	413,350	416,700	470,700	112,728.00 + 35%	416,700
466,950		130,578.50 + 39.6%	466,950	470,700		131,628.00 + 39.6%	470,700
<b>Married Filing Separately:</b>				<b>Married Filing Separately:</b>			
\$0	\$9,275	\$0 + 10%	\$0	\$0	\$9,325	\$0 + 10%	\$0
9,275	37,650	927.50 + 15%	9,275	9,325	37,950	932.50 + 15%	9,325
37,650	75,950	5,183.75 + 25%	37,650	37,950	76,550	5,226.25 + 25%	37,950
75,950	115,725	14,758.75 + 28%	75,950	76,550	116,675	14,876.25 + 28%	76,550
115,725	206,675	25,895.75 + 33%	115,725	116,675	208,350	26,111.25 + 33%	116,675
206,675	233,475	55,909.25 + 35%	206,675	208,350	235,350	56,364.00 + 35%	208,350
233,475		65,289.25 + 39.6%	233,475	235,350		65,814.00 + 39.6%	235,350
<b>Head of Household:</b>				<b>Head of Household:</b>			
\$0	\$13,250	\$0 + 10%	\$0	\$0	\$13,350	\$0 + 10%	\$0
13,250	50,400	1,325.00 + 15%	13,250	13,350	50,800	1,335.00 + 15%	13,350
50,400	130,150	6,897.50 + 25%	50,400	50,800	131,200	6,952.50 + 25%	50,800
130,150	210,800	26,835.00 + 28%	130,150	131,200	212,500	27,052.50 + 28%	131,200
210,800	413,350	49,417.00 + 33%	210,800	212,500	416,700	49,816.50 + 33%	212,500
413,350	441,000	116,258.50 + 35%	413,350	416,700	444,550	117,202.50 + 35%	416,700
441,000		125,936.00 + 39.6%	441,000	444,550		126,950.00 + 39.6%	444,550
<b>Single:</b>				<b>Single:</b>			
\$0	\$9,275	\$0 + 10%	\$0	\$0	\$9,325	\$0 + 10%	\$0
9,275	37,650	927.50 + 15%	9,275	9,325	37,950	932.50 + 15%	9,325
37,650	91,150	5,183.75 + 25%	37,650	37,950	91,900	5,226.25 + 25%	37,950
91,150	190,150	18,558.75 + 28%	91,150	91,900	191,650	18,713.75 + 28%	91,900
190,150	413,350	46,278.75 + 33%	190,150	191,650	416,700	46,643.75 + 33%	191,650
413,350	415,050	119,934.75 + 35%	413,350	416,700	418,400	120,910.25 + 35%	416,700
415,050		120,529.75 + 39.6%	415,050	418,400		121,505.25 + 39.6%	418,400
<b>Estates and Trusts:</b>				<b>Estates and Trusts:</b>			
\$0	\$2,550	\$0 + 15%	\$0	\$0	\$2,550	\$0 + 15%	\$0
2,550	5,950	382.50 + 25%	2,550	2,550	6,000	382.50 + 25%	2,550
5,950	9,050	1,232.50 + 28%	5,950	6,000	9,150	1,245.00 + 28%	6,000
9,050	12,400	2,100.50 + 33%	9,050	9,150	12,500	2,127.00 + 33%	9,150
12,400		3,206.00 + 39.6%	12,400	12,500		3,232.50 + 39.6%	12,500

## Other Tax Rates

Capital Gains and Qual. Dividends 2016 & 2017	Short Term	Long Term	Qual. Div.
10%, 15% brackets	ordinary rates	0%	0%
25% – 35% brackets*	ordinary rates	15%	15%
39.6% bracket*	ordinary rates	20%	20%

\* Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other individual taxpayers).

### Kiddie Tax

- Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and capital gain distributions; and child's gross income is less than \$10,500 in 2016 or in 2017 – use Form 8814 with parent's return.
- If child files own return – use Form 8615 with child's return to calculate tax at parent's marginal rate.

	2016	2017	
First	\$1,050	\$1,050	No Tax
Next	\$1,050	\$1,050	Taxed at child's marginal rate
Amount Over	\$2,100	\$2,100	Taxed at parent's marginal rate

### AMT Rates for Individuals

	2016	AMTI Threshold	2017	AMT Rate
Single, MFJ, HoH	\$0 - \$186,300	\$0 - \$187,800		26%
	\$186,301 or more	\$187,801 or more		28%
MFS	\$0 - \$93,150	\$0 - \$93,900		26%
	\$93,151 or more	\$93,901 or more		28%

	2016	2017
Single, HoH	\$53,900	\$54,300
MFJ	\$83,800	\$84,500
MFS	\$41,900	\$42,250

## Social Security

### Maximum Compensation Subject to FICA

	2016	2017
OASDI Maximum	\$118,500	\$127,200
HI Maximum	No Limit	No Limit

- OASDI tax rate – 2016 & 2017: 12.4% self-employed, 6.2% employees
- HI tax rate\* – 2016 & 2017: 2.9% self-employed, 1.45% employees

\*Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other individual taxpayers)

### Maximum Amount of Earnings to Still Receive Full Benefits

	2016	2017
Under full retirement age	\$15,720	\$16,920

### MAGI Amounts for Benefits to Be Taxable

	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

## Mileage Rates

Purpose	2016	2017
Business	54¢ per mile	53.5¢ per mile
Medical	19¢ per mile	17¢ per mile
Charitable	14¢ per mile	14¢ per mile
Moving	19¢ per mile	17¢ per mile

## Education Incentives

**Tuition Deduction** – “Above-the-line” deduction up to \$4,000 for qualified tuition and related expenses in 2016. Absent legislation, no deduction available in 2017

**Student Loan Interest Deduction** – “Above-the-line” deduction up to \$2,500 (2016 and 2017); no time limit on deductibility period; subject to income limitations.

**Education Credits** – American Opportunity (modified Hope) Credit is up to \$2,500 in 2016 and 2017 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid, up to \$2,000 per return for 2016 and 2017. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.

**Section 529 Plans (Qualified Tuition Programs)** – Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$14,000 for 2016 and 2017). Donor can elect to treat up to \$70,000 of the contribution in 2016 and 2017 as if it had been made ratably over a 5-year period.

**Coverdell Education Savings Accounts (Education IRAs)** – Contribution limit is \$2,000 in 2016 and 2017; subject to income limitations.

## Deductions and Exemptions

### Standard Deductions

	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2016 \$12,600	\$1,250
	2017 \$12,700	\$1,250
Married Filing Separately	2016 \$6,300	\$1,250
	2017 \$6,350	\$1,250
Head of Household	2016 \$9,300	\$1,550
	2017 \$9,350	\$1,550
Single	2016 \$6,300	\$1,550
	2017 \$6,350	\$1,550

### Phaseout of Itemized Deductions

	AGI Threshold	
	2016	2017
MFJ/SS	\$311,300	\$313,800
MFS	\$155,650	\$156,900
HoH	\$285,350	\$287,650
Single	\$259,400	\$261,500

### Personal Exemptions

	Exemption	AGI Threshold/ Upper Limit
Married Filing Jointly/ Surviving Spouse	2016 \$4,050	\$311,300/\$433,800
	2017 \$4,050	\$313,800/\$436,300
Married Filing Separately	2016 \$4,050	\$155,650/\$216,900
	2017 \$4,050	\$156,900/\$218,150
Head of Household	2016 \$4,050	\$285,350/\$407,850
	2017 \$4,050	\$287,650/\$410,150
Single	2016 \$4,050	\$259,400/\$381,900
	2017 \$4,050	\$261,500/\$384,000

### Code Sec. 179 Expense Allowance

	2016	2017
Dollar limitation	\$500,000	\$510,000
Investment limitation	\$2,010,000	\$2,030,000

## Estate and Gift Taxes

	2016	2017
Annual Gift Tax Exclusion	\$14,000	\$14,000
for Noncitizen Spouses	\$148,000	\$149,000
Estate Tax Exclusion	\$5,450,000	\$5,490,000
Applicable Credit	\$2,125,800	\$2,141,800
Gift Tax Exclusion	\$5,450,000	\$5,490,000
GST Tax Exemption	\$5,450,000	\$5,490,000

## Credits and Exclusions

Child Tax Credit	2016	2017
	\$1,000	\$1,000
Phases out \$50 for each \$1,000 MAGI over \$110,000 (married filing jointly), \$75,000 (single) or \$55,000 (married filing separately).		
Foreign Income	2016	2017
Foreign earned income exclusion	\$101,300	\$102,100
Maximum foreign housing exclusion of qualified housing expenses	\$14,182 (\$30,390 - \$16,208)	\$14,294 (\$30,630 - \$16,336)

## Individual Estimated Taxes

Individuals can base federal estimated tax payments on:

- 90% of current tax,
  - 100% of prior year's tax, or
  - 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
- Annualization exception
  - No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year

## IRAs

### CONTRIBUTION LIMITS - TRADITIONAL AND ROTH

	2016	2017
Regular	\$5,500	\$5,500
Catch-up*	\$1,000	\$1,000

\*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

### ROTH IRAs

MAGI Phaseout Ranges for Contributions to Roth IRAs	2016	2017
Married Filing Jointly	\$184,000 - \$194,000	\$186,000 - \$196,000
Single, Head of Household	\$117,000 - \$132,000	\$118,000 - \$133,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000

### TRADITIONAL IRA DEDUCTIBILITY RULES

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2016	2017	
Single, HoH	No	Any amount	Any amount	Full Deduction
	Yes	\$61,000 or less \$61,001 - \$70,999 \$71,000 or more	\$62,000 or less \$62,001 - \$71,999 \$72,000 or more	Full Deduction Partial Deduction No Deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full Deduction
	Both spouses covered	\$98,000 or less \$98,001 - \$117,999 \$118,000 or more	\$99,000 or less \$99,001 - \$118,999 \$119,000 or more	Full Deduction Partial Deduction No Deduction
	One spouse covered: for covered spouse	\$98,000 or less \$98,001 - \$117,999 \$118,000 or more	\$99,000 or less \$99,001 - \$118,999 \$119,000 or more	Full Deduction Partial Deduction No Deduction
	One spouse covered: for non-covered spouse	\$184,000 or less \$184,001 - \$193,999 \$194,000 or more	\$186,000 or less \$186,001 - \$195,999 \$196,000 or more	Full Deduction Partial Deduction No Deduction
Married Filing Separately, lived together for any part of the year (if spouses lived separately throughout year, treated as Single)	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction

## Qualified Plans

	2016	2017
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b))	\$18,000	\$18,000
Maximum elective deferral to SIMPLE IRA plans	\$12,500	\$12,500
Maximum elective deferral to 457 plans or exempt employers	\$18,000	\$18,000
Limit on annual additions to Keogh plans and SEP-IRAs	\$53,000	\$54,000
Limit on annual additions to defined contribution plans	\$53,000	\$54,000
Maximum annual compensation taken into account for contributions	\$265,000	\$270,000
Annual benefit limit under defined benefit plans	\$210,000	\$215,000
Threshold amount for definition of highly compensated employee	\$120,000	\$120,000
Threshold amount for definition of key employee in top-heavy plans	\$170,000	\$175,000
Catch-up Contribution Limits*		
401(k), 403(b), SARSEP and 457 plans	\$6,000	\$6,000
SIMPLE plans	\$3,000	\$3,000

\*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.