

2017 Tax Guide

Individual Tax Rates						
Taxable Income		Ordinary Income	Capital Gains and Dividends	Medicare Tax	Affordable Health Care Act	
Single	Joint				Earned Income	Investment Income***
\$0 to \$9,325	\$0 to \$18,650	10%	0%	2.9%*	0%	0%
\$9,326 to \$37,950	\$18,651 to \$75,900	15%				
\$37,951 to \$91,900	\$75,901 to \$153,100	25%	15%			
\$91,901 to \$191,650	\$153,101 to \$233,350	28%				
\$191,650 to \$200,000	\$233,351 to \$250,000	33%	20%	0.9%	3.8%**	
\$200,000 to \$416,700	\$250,000 to \$416,700	35%				
\$416,701 to \$418,400	\$416,701 to \$470,700	35%				
> \$418,400	> \$470,700	39.6%				

*2.9% = 1.45% employee paid + 1.45% employer paid

** 3.8% tax is only imposed on adjusted gross income (AGI) in excess of the \$200,000 (\$250,000 joint) threshold

*** Investment income for purposes of 3.8% tax = dividends, interest, capital gains, non-qualified annuity distributions, royalties, rents, and passive income (not qualified retirement distributions)

Select Tax Items		
Tax Limits	2017	
Gift tax annual exclusion	\$14,000	
Estate tax exemption	\$5,490,000 + DSUEA*	
Top federal estate tax bracket	40%	
IRA distributions direct to charity (over age 70.5)	\$100,000	
IRA / Roth IRA contribution limit	\$5,500	
IRA / Roth IRA catch-up provisions for individuals 50+	\$1,000	
Health Savings Account contribution limit [Individual, (Family)]	\$3,400, (\$6,750)	
Health Savings Account catch-up provisions for individuals 55+	\$1,000	
Phaseout Items	Single	Joint
Itemized deduction phaseout begins at	\$261,500	\$313,800
<i>*Itemized deductions reduced by 3% for every dollar above phaseout, capped at 80% of total itemized deductions</i>		
Personal exemption completely phased-out at	\$384,000	\$436,300
Deductible IRA contribution phaseout (if covered by qualified plan)	\$62,000 to \$72,000	\$99,000 to \$119,000
<i>*If one spouse covered by a plan</i>		
		\$186,000 to \$196,000
Roth IRA contribution phaseout	\$118,000 to \$133,000	\$186,000 to \$196,000
AMT exemption	\$54,300	\$84,500
Part B Premiums begin to increase with MAGI over	\$85,000	\$170,000

*Basic exclusion amount plus deceased spousal unused exclusion amount (DSUEA) -- exclusion is portable for 2011 onward

Retirement Plan Contribution Limits		
Plan	Limit	
Defined contribution plans	\$54,000	
401(k) (Roth/Traditional), 403(b), 457(b) plans	\$18,000	
Catch-up provision for individuals 50+	\$6,000	
SIMPLE plans	\$12,500	
SIMPLE plans - catch-up provision for individuals 50+	\$3,000	
Estates and Trusts		
Income	Rate	
< \$2,550	15%	
\$2,551 to \$6,000	25%	
\$6,001 to \$9,150	28%	
\$9,151 to \$12,500	33%	
> \$12,500*	39.6%	
Short (Sold) Options		
Put/Call Action	Taxable Amount	Tax Treatment (long/short)
Option expires worthless	Premium	Short
Option is closed	Net gain/loss of closing	Short
Call option assigned	Premium + strike price - security basis	Short or long**

*Investment income > \$12,500 subject to additional 3.8% surtax

**Underlying security held > 1 year is long term gain/loss, security held < 1 year is short term gain/loss

2017 Tax Guide

2017 Tax Rate Schedule						
Taxable income		Base amount of tax		Marginal tax rate		Of the amount over
Single						
<	\$9,325	\$0.00	+	10.0%		\$0
\$9,326	to \$37,950	\$932.50	+	15.0%		\$9,325
\$37,951	to \$91,900	\$5,226.25	+	25.0%		\$37,950
\$91,901	to \$191,650	\$18,713.75	+	28.0%		\$91,900
\$191,651	to \$416,700	\$46,643.75	+	33.0%		\$191,650
\$416,701	to \$418,400	\$120,910.25	+	35.0%		\$416,700
>	\$418,400	\$121,505.25	+	39.6%		\$418,400
Married filing jointly & surviving spouses						
<	\$18,650	\$0.00	+	10.0%		\$0
\$18,651	to \$75,900	\$1,865.00	+	15.0%		\$18,650
\$75,901	to \$153,100	\$10,452.50	+	25.0%		\$75,900
\$153,101	to \$233,350	\$29,752.50	+	28.0%		\$153,100
\$233,351	to \$416,700	\$52,222.50	+	33.0%		\$233,350
\$416,701	to \$470,700	\$112,728.00	+	35.0%		\$416,700
>	\$470,700	\$131,628.00	+	39.6%		\$470,700
Head of household						
<	\$13,350	\$0.00	+	10.0%		\$0
\$13,351	to \$50,800	\$1,335.00	+	15.0%		\$13,350
\$50,801	to \$131,200	\$6,952.50	+	25.0%		\$50,800
\$131,201	to \$212,500	\$27,052.50	+	28.0%		\$131,200
\$212,501	to \$416,700	\$49,816.50	+	33.0%		\$212,500
\$416,701	to \$444,550	\$117,202.50	+	35.0%		\$416,700
>	\$444,550	\$126,950.00	+	39.6%		\$444,550
Married filing separately						
<	\$9,325	\$0.00	+	10.0%		\$0
\$9,326	to \$37,950	\$932.50	+	15.0%		\$9,325
\$37,951	to \$76,550	\$5,226.25	+	25.0%		\$37,950
\$76,551	to \$116,675	\$14,876.25	+	28.0%		\$76,550
\$116,676	to \$208,350	\$26,111.25	+	33.0%		\$116,675
\$208,351	to \$350,350	\$56,364.00	+	35.0%		\$208,350
>	\$350,350	\$106,064.00		39.6%		\$350,350
Estates and trusts						
<	\$2,550	\$0.00	+	15.0%		\$0
\$2,551	to \$6,000	\$382.50	+	25.0%		\$2,550
\$6,001	to \$9,150	\$1,245.00	+	28.0%		\$6,000
\$9,151	to \$12,500	\$2,127.00	+	33.0%		\$9,150
>	\$12,500	\$3,232.50	+	39.6%		\$12,500

Standard Deductions & Personal Exemption			
Filing Status	Standard Deduction		Personal exemption
	Deduction	Exemption	Phaseouts*
Married filing joint	\$12,700	\$4,050	\$313,800 to \$436,300
Single	\$6,350	\$4,050	\$261,500 to \$384,000
Married filing separate	\$6,350	\$4,050	\$156,900 to \$218,150
Head of household	\$9,350	\$4,050	\$287,650 to \$410,150
Additional deductions for non-itemizers		*Itemized deductions are limited, but not completely phased out	
Blind or > 65	\$1,250		
Blind or > 65 and single	\$1,550		
Gift & Estate Tax			
Maximum estate tax rate			40%
Estate/Gift tax exclusion			\$5,490,000
Gift tax annual exclusion			\$14,000
AMT Exemptions & Phaseouts			
Filing status	Exemption	Income phaseout threshold	
Married filing jointly & qualifying widow(er)	\$84,500	\$160,900	
Single & HOH	\$54,300	\$120,700	
Married filing separately	\$42,250	\$80,450	
Capital Gains Tax Rates			
Assets held less than 1 yr.		Marginal income rate	
Assets held longer than 1 yr.		0% for taxpayers in the 10% or 15% brackets; 15% for taxpayers in 25-35% bracket; 20% for taxpayers in the 39.6% bracket	
Unrecaptured Sec. 1250 gains		25%	
Collectibles		28%	
Education Credits & Deductions			
Credit / Deduction / Account	Maximum credit / deduction	Income phaseouts begin at AGI:	
American Opportunity Tax Credit	\$2,500	\$160,000 to \$180,000	joint
		\$80,000 to \$90,000	all others
Lifetime Learning Credit	\$2,000	\$112,000 to \$132,000	joint
		\$56,000 to \$66,000	all others
Student loan interest deduction	\$2,500	\$135,000 to \$165,000	joint
		\$65,000 to \$80,000	all others
Savings bond interest deduction	limited to amount of qualified expenses	\$117,250 to \$147,250	joint
		\$78,150 to \$93,150	all others
Coverdell	\$2,000 maximum contribution (non-deductible)	\$190,000 to \$220,000	joint
		\$95,000 to \$110,000	all others
Kiddie Tax			
Dependent children < age 19 (< 24 for full-time students) pay federal income tax at their parents' rate on investment income > \$2,100.			

2017 Tax Guide

Retirement Plan Contribution Limits	
Annual compensation used to determine contribution for most plans	\$270,000
Defined contribution plans	\$54,000
Defined benefit plans	\$215,000
401(k), 403(b), 457(b) plans	\$18,000
Catch-up provision for individuals 50+	\$6,000
SIMPLE plans	\$12,500
SIMPLE plans - catch-up provision for individuals 50+	\$3,000
Roth 401(k)	\$18,000
Roth 401(k) - catch-up provision for individuals 50+	\$6,000
Maximum ESOP balance subject to 5 year distribution period	\$1,080,000

Individual Retirement Accounts			
IRA type	Contribution limit	Catch-up at 50+	Phaseouts (AGI)
Non-deductible	\$5,500	\$1,000	None
Covered by qualified plan:			
			\$99,000 to \$119,000 joint
			\$62,000 to \$72,000 single, HOH
			\$10,000 MFS
If one spouse covered by a plan:			
			\$186,000 to \$196,000 joint
			\$186,000 to \$196,000 joint
Roth	\$5,500	\$1,000	\$118,000 to \$133,000 single, HOH
			\$0 to \$10,000 MFS
Roth conversion			None

Medicare Premiums & Deductibles		
Part B premium	\$109.00 / \$134.00*	
Part B deductible	\$183	
Part A (inpatient services) deductible < 61 days of hospitalization	\$1,316	per benefit period
Part A deductible 61 - 90 days of hospitalization	\$329	per day
Part A deductible > 90 days of hospitalization	\$658	per day

Part B Premiums for High-Income Taxpayers		
MAGI single	MAGI joint	Part B premium
< \$85,001	< \$170,001	\$109.00 / \$134.00*
85,001 to \$107,000	\$170,001 to \$214,000	\$187.50
\$107,001 to \$160,000	\$214,001 to \$320,000	\$267.90
\$160,001 to \$214,000	\$320,001 to \$428,000	\$348.30
> \$214,000	> \$428,000	\$428.60

*Most individuals will pay \$109.00; however, individuals who are not subject to the Social Security "hold harmless" provision will pay \$134.00.

Social Security Benefits		
Full retirement age (FRA) if born between 1943 & 1954	66	
Maximum monthly benefit	\$2,687	
Retirement earnings exempt amounts	\$16,920 under FRA	\$44,880 during yr. reach FRA
	No limit after FRA	
Tax (FICA)	% withheld	Maximum tax payable
SS tax paid on income	< \$127,200	
Employer pays	6.20%	\$7,886
Employee pays	6.20%	\$7,886
Self-employed pays	12.40%	\$15,773
Medicare tax paid on all income		
Employer pays	1.45%	No maximum
Employee pays	1.45%	No maximum
Self-employed pays	2.90%	No maximum

Social Security Taxes		
Filing status	AGI + provisional income*	Taxable portion
Married filing jointly	< \$32,000	0%
	\$32,001 to \$44,000	50%
	> \$44,000	85%
Single, HOH, MFS and living apart from spouse	< \$25,000	0%
	\$25,001 to \$34,000	50%
	> \$34,000	85%
Married filing separately & living with spouse	> \$0	85%

*Provisional income = tax-exempt interest + 50% of SS benefit

Deductibility of Long-Term Care Premiums on Qualified Policies	
Attained age before close of tax yr.	Amount of LTC premiums that qualify as medical expenses
40 or less	\$410
41 to 50	\$770
51 to 60	\$1,530
61 to 70	\$4,090
> 70	\$5,110

Health Savings Accounts			
Annual limit	Max. deductible contribution	Deductible/Co-pay limits	Minimum annual deductible
Individuals	\$3,400	\$6,550	\$1,300
Families	\$6,750	\$13,100	\$2,600
Catch-up for 55+	\$1,000		