

Tax Facts and Figures



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2018 Federal Tax Rate Schedules

Single Taxable Income

\$ 0 to 9,525	× 10.0%	minus	\$ 0.00	= Tax
9,526 to 38,700	× 12.0%	minus	190.50	= Tax
38,701 to 82,500	× 22.0%	minus	4,060.50	= Tax
82,501 to 157,500	× 24.0%	minus	5,710.50	= Tax
157,501 to 200,000	× 32.0%	minus	18,310.50	= Tax
200,001 to 500,000	× 35.0%	minus	24,310.50	= Tax
500,001 and over	× 37.0%	minus	34,310.50	= Tax

MFJ or QW Taxable Income

\$ 0 to 19,050	× 10.0%	minus	\$ 0.00	= Tax
19,051 to 77,400	× 12.0%	minus	381.00	= Tax
77,401 to 165,000	× 22.0%	minus	8,121.00	= Tax
165,001 to 315,000	× 24.0%	minus	11,421.00	= Tax
315,001 to 400,000	× 32.0%	minus	36,621.00	= Tax
400,001 to 600,000	× 35.0%	minus	48,621.00	= Tax
600,001 and over	× 37.0%	minus	60,621.00	= Tax

MFS Taxable Income

\$ 0 to 9,525	× 10.0%	minus	\$ 0.00	= Tax
9,526 to 38,700	× 12.0%	minus	190.50	= Tax
38,701 to 82,500	× 22.0%	minus	4,060.50	= Tax
82,501 to 157,500	× 24.0%	minus	5,710.50	= Tax
157,501 to 200,000	× 32.0%	minus	18,310.50	= Tax
200,001 to 300,000	× 35.0%	minus	24,310.50	= Tax
300,001 and over	× 37.0%	minus	30,310.50	= Tax

HOH Taxable Income

\$ 0 to 13,600	× 10.0%	minus	\$ 0.00	= Tax
13,601 to 51,800	× 12.0%	minus	272.00	= Tax
51,801 to 82,500	× 22.0%	minus	5,452.00	= Tax
82,501 to 157,500	× 24.0%	minus	7,102.00	= Tax
157,501 to 200,000	× 32.0%	minus	19,702.00	= Tax
200,001 to 500,000	× 35.0%	minus	25,702.00	= Tax
500,001 and over	× 37.0%	minus	35,702.00	= Tax

Additional Medicare Tax

0.9% additional tax on wage income above threshold

Filing status	Single, HOH, QW	MFJ	MFS
Threshold amount	\$200,000	\$250,000	\$125,000

2018 Personal Exemptions

The personal exemption deduction per person is..... \$0

2018 Standard Deduction

The basic standard deduction for 2018 is:

Single or MFS.....	\$12,000
MFJ or QW.....	\$24,000
HOH.....	\$18,000

Age 65 and/or blind. The additional amounts for age 65 or older and/or blind, per person, per event in 2018 are:

MFJ, QW, or MFS	\$1,300
Single or HOH.....	\$1,600

Dependent. The standard deduction in 2018 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,050, or earned income plus \$350.

Note: The standard deduction for a dependent and the additional standard deductions for the aged and blind may change slightly when the IRS revises its 2018 inflation-adjusted amounts to follow the chained-CPI inflation rates.

Child Tax Credit and Family Tax Credit

Child Tax Credit	\$2,000 per qualifying child.
Maximum refundable portion of Child Tax Credit	\$1,400 per qualifying child.
Child Tax Credit phaseout begins	MFJ..... \$400,000 Single, HOH, MFS..... \$200,000
Family Tax Credit	\$500 per dependent (not a qualifying child).

Social Security Highlights

Employee's portion of FICA	2018	2017	2016
Maximum earnings subject to Social Security tax (Medicare no limit)	\$128,400	\$127,200	\$118,500
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$7,960.80	\$7,886.40	\$7,347.00

*Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.



Tax Facts and Figures

Business Expenses

2018 Standard Mileage Rate Per Mile Business.....	54.5¢
Medical and moving*	18.0¢
Charitable.....	14.0¢
Depreciation.....	25.0¢

Section 179 Expense Limits

Regular 179 limits.....	\$1,000,000
SUV limits.....	\$25,000
Investment phaseout begins.....	\$2,500,000

2018 Standard Deduction for Meals—High Low Method (Per Day)

High cost localities.....	\$68
All other localities.....	\$57
Transportation workers.....	\$63

Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)

Commuter benefits (per month)...	\$260
Parking benefits (per month).....	\$260

*The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

2018 Retirement Plan Limits

401(k)/403(b) Deferral Limits

Under age 50.....	\$18,500
Age 50 and over.....	\$24,500

IRA Contribution Limits

Under age 50.....	\$5,500
Age 50 and over.....	\$6,500

IRA Deduction Phaseout Range if Covered by Employer Plan

MFJ.....	\$101,000—\$121,000
Single, HOH.....	\$63,000—\$73,000
MFS.....	\$0—\$10,000
Spouse not covered.....	\$189,000—\$199,000

Roth IRA Phaseout Range

MFJ.....	\$189,000—\$199,000
Single, HOH.....	\$120,000—\$135,000
MFS.....	\$0—\$10,000

SIMPLE Deferral Limits

Under age 50.....	\$12,500
Age 50 and over.....	\$15,500

Qualified Retirement Plans

Profit sharing/SEP limits.....	25%/ \$55,000
Defined benefit plan limits.....	\$220,000
Compensation limits.....	\$275,000

Education Tax Benefits

American Opportunity Credit

MFJ phaseout....	\$160,000—\$180,000
Single, HOH phaseout.....	\$80,000—\$90,000
Maximum credit: \$2,500 per student Up to 40% (\$1,000) may be refundable	

Lifetime Learning Credit

MFJ phaseout... \$114,000—\$134,000*	
Single, HOH phaseout.....	\$57,000—\$67,000*
Maximum credit: \$2,000 per return	

Education Savings Account (ESA)

MFJ phaseout.....	\$190,000—\$220,000
All others.....	\$95,000—\$110,000
Annual contribution limit: \$2,000 per beneficiary	

Student Loan Interest Deduction

MFJ phaseout.....	\$135,000—\$165,000*
Single, HOH phaseout....	\$65,000—\$80,000*
Maximum deduction: \$2,500 per return	

U.S. Savings Bonds Interest Exclusion

MFJ phaseout.....	\$119,550—\$149,550*
Single, HOH phaseout....	\$79,700—\$94,700*

Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students are not taxable.
- Distributions up to \$10,000 per student are now allowed for tuition expenses for a public, private, or religious elementary or secondary school.

* **Note:** Phaseout ranges may change slightly when the IRS revises its 2018 inflation-adjusted amounts to follow the chained-CPI inflation rates.

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2018 Tax Rates: Capital Gain and Dividend Income

If income is...	Maximum tax rate %	If asset is held...
Gain from the sale of collectibles	28%	More than 1 year
Taxable portion of gain on qualified small business stock (section 1202 exclusion)	28%	More than 5 years
Unrecaptured section 1250 gain	25%	More than 1 year
Long-term capital gain	See below	More than 1 year
Qualified dividend income	See below	More than 60 days
Taxable Income		
Single.....	\$0 to \$38,600	0%
MFJ/QW.....	\$0 to 77,200	
MFS.....	\$0 to \$38,600	
HOH.....	\$0 to \$51,700	
Estates and trusts.....	\$0 to \$2,600	
Taxable Income		
Single.....	\$38,601 to \$425,800	15%
MFJ/QW.....	\$77,201 to \$479,000	
MFS.....	\$38,601 to \$239,500	
HOH.....	\$51,701 to \$452,400	
Estates and trusts.....	\$2,601 to \$12,700	
Taxable Income		
Single.....	\$425,801 and over	20%
MFJ/QW.....	\$479,001 and over	
MFS.....	\$239,501 and over	
HOH.....	\$452,401 and over	
Estates and trusts.....	\$12,701 and over	
Short-term capital gain	37%	1 year or less
Ordinary dividend income	37%	60 days or less

Net Investment Income Tax (NIIT)

3.8% additional tax on investment income if MAGI above threshold amount

Filing status	Single, HOH	MFJ, QW	MFS
Threshold amount	\$200,000	\$250,000	\$125,000

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 70½.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.