

HEADS OF HOUSEHOLDS

Taxable Income		Tax Rate	Ordinary Tax Calculation
Minimum	Maximum		
--	\$17,000	10%	10% of taxable income
\$17,001	\$64,850	12%	\$1,700 + 12% of the amount over \$17,000
\$64,851	\$103,350	22%	\$7,442 + 22% of the amount over \$64,850
\$103,351	\$197,300	24%	\$15,912 + 24% of the amount over \$103,350
\$197,301	\$250,500	32%	\$38,460 + 32% of the amount over \$197,300
\$250,501	\$626,350	35%	\$55,484 + 35% of the amount over \$250,500
\$626,351	--	37%	\$187,031.50 + 37% of the amount over \$626,350

CAPITAL GAINS AND DIVIDENDS

Short-term capital gains are gains from property held one year or less. These gains are taxed at ordinary income tax rates (above).

Long-term capital gains are gains from property held longer than one year. These gains are taxed at 0%, 15%, or 20% (below).

Tax Rate	Heads of Households		Married Filing Separate	
	Taxable Income			
	Minimum	Maximum	Minimum	Maximum
0%	--	\$64,750	--	\$48,350
15%	\$64,751	\$566,700	\$48,351	\$300,000
20%	\$566,701	--	\$300,001	--

Remember: Qualified dividends are taxed at long-term capital gains rates, and non-qualified dividends are taxed at ordinary income tax rates.

STANDARD DEDUCTIONS

Filing Status	Standard Deduction
Heads of Households	\$22,500
Married Filing Separate	\$15,000
Dependents*	\$1,350 – \$15,000
* The greater of (a) \$1,350 or (b) earned income plus \$450, not to exceed the standard deduction amount for a single taxpayer.	

ADDITIONAL STANDARD DEDUCTIONS

Filing Status	Standard Deduction
Single, age 65 or older or blind	\$2,000
Single, age 65 or older and blind	\$4,000
Married, age 65 or older or blind	\$1,600
Married, age 65 or older and blind	\$3,200

Remember: Taxpayers can deduct the greater of their (a) applicable standard deduction or (b) total itemized deductions. Itemized deductions include unreimbursed medical and dental expenses in excess of 7.5% of AGI, state and local taxes paid, interest paid, gifts to charity, and other miscellaneous items.

MARRIED FILING SEPARATE

Taxable Income		Tax Rate	Ordinary Tax Calculation
Minimum	Maximum		
--	\$11,925	10%	10% of taxable income
\$11,926	\$48,475	12%	\$1,192.50 + 12% of the amount over \$11,925
\$48,476	\$103,350	22%	\$5,578.50 + 22% of the amount over \$48,475
\$103,351	\$197,300	24%	\$17,651 + 24% of the amount over \$103,350
\$197,301	\$250,525	32%	\$40,199 + 32% of the amount over \$197,300
\$250,526	\$375,800	35%	\$57,231 + 35% of the amount over \$250,525
\$375,801	--	37%	\$101,077.25 + 37% of the amount over \$375,800

CONTRIBUTION LIMITS

Elective Deferral (401(k), 403(b) & 457) \$23,500
 Catch-Up Contributions (401(k), 403(b) & 457) \$7,500*
**\$11,250 for participants age 60-63.*
 SIMPLE IRA Deferral \$16,500
 Catch-Up Contribution (SIMPLE IRA) \$3,500*
**\$5,250 for participants age 60-63.*
 SIMPLE IRAs allow additional deferrals for small employers.
 SEP IRA Contribution Lesser of 25% of net earnings or \$70,000
 Traditional IRA/Roth IRA Contribution \$7,000
 Traditional IRA/Roth IRA Catch-Up Contribution \$1,000
Retirement plan catch-up contributions are allowed for taxpayers age 50 or older.
 Health Savings Account – Individual/Family \$4,300/\$8,550
HSA catch-up contributions of \$1,000 are allowed for taxpayers age 55 or older.

Traditional IRA	Deductibility Phaseout	
	Modified Adjusted Gross Income (MAGI)	
	Heads of Households*	Married Filing Separate**
Full Deduction	< \$79,000	Not Eligible
Partial Deduction	\$79,000 – \$89,000	< \$10,000
No Deduction	> \$89,000	> \$10,000

* If the individual is not covered by an employer-sponsored plan, the contribution is fully deductible regardless of MAGI.

** Contributions are fully deductible regardless of MAGI if 1) neither spouse is covered by an employer-sponsored plan, or 2) only the individual's spouse is covered by an employer-sponsored plan and spouses lived apart the entire year. Use the Heads of Households phaseout limits if individual is covered by an employer-sponsored plan and did not live with spouse at any time during the year.

Roth IRA	Contribution Phaseout	
	Modified Adjusted Gross Income (MAGI)	
	Heads of Households	Married Filing Separate*
Full Contribution	< \$150,000	\$0
Partial Contribution	\$150,000 – \$165,000	\$0 – \$10,000
No Contribution	> \$165,000	> \$10,000

* If Married Filing Separate and did not live with spouse at any time during the year, use Heads of Households phaseout limits.

TAXATION OF SOCIAL SECURITY

	0%	Up to 50%	Up to 85%
Heads of Households & Married Filing Separate	< \$25,000	\$25,000 – \$34,000	> \$34,000

Note: If your filing status is Married Filing Separate and you lived with your spouse at any time during the year, the Provisional Income threshold amount is \$0.

As your Provisional Income increases through the above income brackets, the taxable portion of your Social Security benefit also gradually increases. No more than 85% of your benefit will be taxable. Provisional Income is your Adjusted Gross Income + Tax-Exempt Interest + 50% of your Annual Social Security benefit.