

# 2017 tax rates, schedules, and contribution limits

## Income tax

|                                                         | If taxable income is over | But not over | The tax is         | Of the amount over |
|---------------------------------------------------------|---------------------------|--------------|--------------------|--------------------|
| <b>Married/Filing jointly and qualifying widow(er)s</b> | \$0                       | \$18,650     | \$0.00 + 10%       | \$0                |
|                                                         | 18,650                    | 75,900       | 1,865.00 + 15%     | 18,650             |
|                                                         | 75,900                    | 153,100      | 10,452.50 + 25%    | 75,900             |
|                                                         | 153,100                   | 233,350      | 29,752.50 + 28%    | 153,100            |
|                                                         | 233,350                   | 416,700      | 52,222.50 + 33%    | 233,350            |
|                                                         | 416,700                   | 470,700      | 112,728.00 + 35%   | 416,700            |
|                                                         | 470,700                   | —            | 131,628.00 + 39.6% | 470,700            |
| <b>Single</b>                                           | \$0                       | \$9,325      | \$0.00 + 10%       | \$0                |
|                                                         | 9,325                     | 37,950       | 932.50 + 15%       | 9,325              |
|                                                         | 37,950                    | 91,900       | 5,226.25 + 25%     | 37,950             |
|                                                         | 91,900                    | 191,650      | 18,713.75 + 28%    | 91,900             |
|                                                         | 191,650                   | 416,700      | 46,643.75 + 33%    | 191,650            |
|                                                         | 416,700                   | 418,400      | 120,910.25 + 35%   | 416,700            |
|                                                         | 418,400                   | —            | 121,505.25 + 39.6% | 418,400            |
| <b>Estates and trusts</b>                               | \$0                       | \$2,550      | \$0.00 + 15%       | \$0                |
|                                                         | 2,550                     | 6,000        | 382.50 + 25%       | 2,550              |
|                                                         | 6,000                     | 9,150        | 1,245.00 + 28%     | 6,000              |
|                                                         | 9,150                     | 12,500       | 2,127.00 + 33%     | 9,150              |
|                                                         | 12,500                    | —            | 3,232.50 + 39.6%   | 12,500             |

## Corporate tax

| If taxable income is over | But not over | The tax is      | Of the amount over |
|---------------------------|--------------|-----------------|--------------------|
| \$0                       | \$50,000     | \$0 + 15%       | \$0                |
| 50,000                    | 75,000       | 7,500 + 25%     | 50,000             |
| 75,000                    | 100,000      | 13,750 + 34%    | 75,000             |
| 100,000                   | 335,000      | 22,250 + 39%    | 100,000            |
| 335,000                   | 10,000,000   | 113,900 + 34%   | 335,000            |
| 10,000,000                | 15,000,000   | 3,400,000 + 35% | 10,000,000         |
| 15,000,000                | 18,333,333   | 5,150,000 + 38% | 15,000,000         |
| 18,333,333                | —            | 35%             | 0                  |

## Employer retirement plans

|                                                                          |          |
|--------------------------------------------------------------------------|----------|
| Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)      | \$18,000 |
| Catch-up contribution limit for 401(k), 403(b), and 457 plans            | 6,000    |
| Maximum elective deferral to SIMPLE IRA plans                            | 12,500   |
| Catch-up contribution limit for SIMPLE plans                             | 3,000    |
| Maximum elective deferral to 457 plans of gov't and tax-exempt employers | 18,000   |
| Limit on annual additions to defined contribution plans                  | 54,000   |
| Annual compensation threshold requiring SEP contribution                 | 600      |
| Limit on annual additions to SEP plans                                   | 54,000   |
| Maximum annual compensation taken into account for contributions         | 270,000  |
| Annual benefit limit under defined benefit plans                         | 215,000  |
| Limitation used in definition of highly compensated employee             | 120,000  |
| Health flexible spending account maximum salary reduction contribution   | 2,600    |

Sources: IRS and Social Security Administration updates 2016.

## Tax on capital gains and qualified dividends

| Tax bracket                 | Short-term capital gains (≤ 12 months) | Long-term capital gains and qualified dividends (> 12 months) |
|-----------------------------|----------------------------------------|---------------------------------------------------------------|
| 10%, 15% brackets           | Ordinary rate                          | 0%                                                            |
| 25%, 28%, 33%, 35% brackets | Ordinary rate                          | 15%                                                           |
| 39.6% bracket               | Ordinary rate                          | 20%                                                           |

Additional 3.8% federal net investment income (NII) tax applies to individuals on the lesser of NII or modified AGI in excess of \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s). Also applies to any trust or estate on the lesser of undistributed net income or AGI in excess of the dollar amount at which the estate/trust pays income taxes at the highest rate.

## Kiddie tax\*

|                                                |                                                   |
|------------------------------------------------|---------------------------------------------------|
| <b>\$0 to \$1,050</b>                          | 0%                                                |
| <b>Earned income &gt; \$1,050</b>              | Child's tax rate                                  |
| <b>Unearned income &gt; \$1,050, ≤ \$2,100</b> | Child's tax rate                                  |
| <b>Unearned income &gt; \$2,100</b>            | Generally, the parent's highest marginal tax rate |

\* Applies if child has not attained age 18 by close of the year

If a child's earned income represents not more than one half of support needs, the kiddie tax generally also applies to unearned income of children who have not attained age 19 by the close of the year, and children who are full-time students and have not attained age 24 as of the close of the year.

Preferential rates on long-term capital gains and qualified dividends are applicable; 3.8% federal NII tax is imposed separately on each child

## Child tax credit

\$1,000 per child; phases out \$50 for each \$1,000 of modified AGI (rounded up to the next \$1,000 increment) over \$110,000 (married/filing jointly) or \$75,000 (single)

## Standard deductions

|                                                         | Annual   | Additional age 65+ or blind |
|---------------------------------------------------------|----------|-----------------------------|
| <b>Married/Filing jointly and qualifying widow(er)s</b> | \$12,700 | \$1,250                     |
| <b>Single</b>                                           | \$6,350  | \$1,550                     |

## Personal exemptions and itemized deductions

|                                                         |              |
|---------------------------------------------------------|--------------|
| <b>Married/Filing jointly and qualifying widow(er)s</b> | \$4,050 each |
| <b>Single</b>                                           | \$4,050      |

Personal exemptions and itemized deductions phase out beginning with AGI over \$261,500 (single) or \$313,800 (married/filing jointly and qualifying widow(er)s)

## Maximum Qualified Long-Term-Care insurance premiums eligible for deduction

| Age  | 40 or less | >40, ≤50 | >50, ≤60 | >60, ≤70 | Over 70 |
|------|------------|----------|----------|----------|---------|
| 2017 | \$410      | \$770    | \$1,530  | \$4,090  | \$5,110 |

Qualified LTC contract per diem limit: \$360

## Traditional IRAs

### Maximum annual contribution (must be under age 70½)

Lesser of compensation or \$5,500

Up to \$5,500 contribution can also be made for nonworking spouse

Catch-up contributions (Taxpayers age 50 and over): \$1,000

## Traditional IRA deductibility table

| Filing status       | Covered by employer's retirement plan | Modified AGI 2016                                             | Modified AGI 2017                                             | Deductibility           |
|---------------------|---------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|-------------------------|
| Single              | No                                    | Any amount                                                    | Any amount                                                    | Full                    |
|                     | Yes                                   | \$61,000 or less                                              | \$62,000 or less                                              | Full                    |
|                     | Yes                                   | \$61,001–\$70,999                                             | \$62,001–\$71,999                                             | Partial                 |
|                     | Yes                                   | \$71,000 or more                                              | \$72,000 or more                                              | None                    |
| Married/<br>Jointly | Neither spouse covered                | Any amount                                                    | Any amount                                                    | Full                    |
|                     | Both spouses covered                  | \$98,000 or less<br>\$98,001–\$117,999<br>\$118,000 or more   | \$99,000 or less<br>\$99,001–\$118,999<br>\$119,000 or more   | Full<br>Partial<br>None |
| Married/<br>Jointly | Yes, but spouse is not covered        | \$98,000 or less<br>\$98,001–\$117,999<br>\$118,000 or more   | \$99,000 or less<br>\$99,001–\$118,999<br>\$119,000 or more   | Full<br>Partial<br>None |
|                     | No, but spouse is covered             | \$184,000 or less<br>\$184,001–\$193,999<br>\$194,000 or more | \$186,000 or less<br>\$186,001–\$195,999<br>\$196,000 or more | Full<br>Partial<br>None |

## Roth IRAs

### Maximum annual contribution

Lesser of compensation or \$5,500

Up to \$5,500 contribution can also be made for nonworking spouse

Catch-up contributions (Taxpayers age 50 and over): \$1,000

### Contribution eligibility

Modified AGI is less than \$118,000 (single) or \$186,000 (married/filing jointly); phaseouts apply if Modified AGI is \$118,000–\$132,999 (single) or \$186,000–\$195,999 (married/filing jointly)

### Deductibility

Contributions to Roth IRAs are not deductible

### Conversion eligibility

There is no modified AGI restriction on eligibility for a Roth IRA conversion

## Base amount of modified AGI causing Social Security benefits to be taxable

|                        | Up to 50% taxable | Up to 85% taxable |
|------------------------|-------------------|-------------------|
| Married/Filing jointly | \$32,001–\$44,000 | > \$44,000        |
| Single                 | \$25,001–\$34,000 | > \$34,000        |

## Maximum earnings before Social Security benefits are reduced

Under full retirement age (\$1 withheld for every \$2 above limit) \$16,920

Full retirement age and over No limit\*

\* Interim annual limit of \$44,880 applies for months prior to attaining full retirement age during year individual reaches full retirement age (\$1 withheld for every \$3 above limit).

This information is general in nature and is not meant as tax or legal advice. Tax laws are subject to change. Please consult your legal or tax advisor.

For informational purposes only. Not an investment recommendation.

## Maximum compensation subject to FICA taxes

|                           |           |
|---------------------------|-----------|
| OASDI (Soc. Sec.) maximum | \$127,200 |
| HI (Medicare) maximum     | No limit  |

OASDI and HI tax rate: 12.4% OASDI and 2.9% HI (15.3% combined) for self-employed; 6.2% and 1.45% (7.65% combined) for employees. An additional 0.9% HI tax applies on individuals with wages or self employment income in excess of \$200,000 (single and qualifying widow(er)s) or \$250,000 (married/filing jointly).

## Death/gifts occurring in 2017\*

(subtract applicable credit from calculated tax)

| If gift/gross estate is over | But not over | The tax is    | Of the amount over |
|------------------------------|--------------|---------------|--------------------|
| \$0                          | \$10,000     | \$0 + 18%     | \$0                |
| 10,000                       | 20,000       | 1,800 + 20%   | 10,000             |
| 20,000                       | 40,000       | 3,800 + 22%   | 20,000             |
| 40,000                       | 60,000       | 8,200 + 24%   | 40,000             |
| 60,000                       | 80,000       | 13,000 + 26%  | 60,000             |
| 80,000                       | 100,000      | 18,200 + 28%  | 80,000             |
| 100,000                      | 150,000      | 23,800 + 30%  | 100,000            |
| 150,000                      | 250,000      | 38,800 + 32%  | 150,000            |
| 250,000                      | 500,000      | 70,800 + 34%  | 250,000            |
| 500,000                      | 750,000      | 155,800 + 37% | 500,000            |
| 750,000                      | 1,000,000    | 248,300 + 39% | 750,000            |
| 1,000,000                    | —            | 345,800 + 40% | 1,000,000          |

\* Annual gift tax exclusion (2017): Individual, \$14,000; Married electing split gifts, \$28,000

Combined lifetime gift tax and gross estate tax exemption: \$5,490,000

GST tax exemption: \$5,490,000

## Modified AGI phaseouts for American Opportunity Tax Credit

|                        |                     |
|------------------------|---------------------|
| Married/Filing jointly | \$160,001–\$179,999 |
| Others                 | \$80,001–\$89,999   |

## Modified AGI phaseouts for Lifetime Learning Credit

|                        |                     |
|------------------------|---------------------|
| Married/Filing jointly | \$112,001–\$131,999 |
| Single                 | \$56,001–\$65,999   |

## Modified AGI phaseouts for exclusion of U.S. Savings Bond Income used for higher education expenses

|                        |                     |
|------------------------|---------------------|
| Married/Filing jointly | \$117,251–\$147,249 |
| Others                 | \$78,151–\$93,149   |

## Modified AGI phaseouts for contributions to Coverdell Education Savings Accounts

Maximum contribution: \$2,000 per beneficiary, per year

|                        |                     |
|------------------------|---------------------|
| Married/Filing jointly | \$190,001–\$219,999 |
| Single                 | \$95,001–\$109,999  |

## 2017 AMT exemptions

|                                                  |          |
|--------------------------------------------------|----------|
| Single                                           | \$54,300 |
| Married/Filing jointly and qualifying widow(er)s | \$84,500 |
| Estates and trusts                               | \$24,100 |

Phases out beginning with alternative minimum taxable income over \$120,700 (single) or \$160,900 (married/filing jointly and qualifying widow(er)s) or \$80,450 (estates and trusts). AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$187,800 (married/filing jointly and qualifying widow(er)s, single, and estates and trusts).