

Herek Financial

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Key Numbers 2017

Tax reference numbers at a glance.



Income Tax (2017 tax rate tables)

Single			Married filing jointly		
Taxable income	Tax due	Marginal tax rate*	Taxable income	Tax due	Marginal tax rate*
\$0	\$0	10%	\$0	\$0	10%
\$9,325	\$932.50	15%	\$18,650	\$1,865.00	15%
\$37,950	\$5,226.25	25%	\$75,900	\$10,452.50	25%
\$91,900	\$18,713.75	28%	\$153,100	\$29,752.50	28%
\$191,650	\$46,643.75	33%	\$233,350	\$52,222.50	33%
\$416,700	\$120,910.25	35%	\$416,700	\$112,728.00	35%
\$418,400	\$121,505.25	39.6%	\$470,700	\$131,628.00	39.6%

Head of household			Married filing separately		
Taxable income	Tax due	Marginal tax rate*	Taxable income	Tax due	Marginal tax rate*
\$0	\$0	10%	\$0	\$0	10%
\$13,350	\$1,335.00	15%	\$9,325	\$932.50	15%
\$50,800	\$6,952.50	25%	\$37,950	\$5,226.25	25%
\$131,200	\$27,052.50	28%	\$76,550	\$14,876.25	28%
\$212,500	\$49,816.50	33%	\$116,675	\$26,111.25	33%
\$416,700	\$117,202.50	35%	\$208,350	\$56,364.00	35%
\$444,550	\$126,950.00	39.6%	\$235,350	\$65,814.00	39.6%

* Rate applies to each additional dollar in taxable income received until the next taxable income threshold amount is reached.



Investment Taxes

Single filer	Married filing jointly	Married filing separately	Head of household	Tax rate
Long-term capital gain & qualified dividend tax (taxable income thresholds)				
Up to \$37,950	Up to \$75,900	Up to \$37,950	Up to \$50,800	0%
\$37,951 up to \$418,400	\$75,901 up to \$470,700	\$37,951 up to \$235,350	\$50,801 up to \$444,550	15%
More than \$418,400	More than \$470,700	More than \$235,350	More than \$444,550	20%
Net investment income tax (MAGI thresholds)				
Over \$200,000	Over \$250,000	Over \$125,000	Over \$200,000	3.8%*

*The 3.8% net investment income tax (also referred to as the unearned income Medicare contribution tax) applies to the lesser of (a) net investment income or (b) modified adjusted gross income (MAGI) exceeding the above thresholds. It does not apply to municipal bond interest or qualified retirement plan/IRA withdrawals.



Education Credits and Deductions

MAGI phaseout ranges	Single or head of household	Married filing jointly
Lifetime Learning credit (\$2,000 max)	\$56,000 to \$66,000	\$112,000 to \$132,000
American Opportunity credit (\$2,500 max)	\$80,000 to \$90,000	\$160,000 to \$180,000
Education loan interest deduction (\$2,500 max)	\$65,000 to \$80,000	\$135,000 to \$165,000
U.S. Savings bond interest exclusion for higher-education expenses	\$78,150 to \$93,150	\$117,250 to \$147,250



Standard Deduction and Personal Exemption

Filing status	Standard deduction	Personal & dependency exemption	Phaseout threshold*
Single	\$6,350	\$4,050	\$261,500
Married filing jointly	\$12,700	\$4,050	\$313,800
Married filing separately	\$6,350	\$4,050	\$156,900
Head of household	\$9,350	\$4,050	\$287,650
Dependent**	\$1,050**		

Additional deduction for blind or aged (over age 65)

Single or head of household	\$1,550
Married filing jointly or separately	\$1,250

* Phaseout applies to personal exemption & itemized deductions.

** Dependent standard deduction is the greater of \$1,050 or \$350 plus earned income.



Retirement Planning

Employee contribution limits to employer plans*

401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs (includes Roth contributions to these plans)	\$18,000
Annual catch-up contribution (age 50+)	\$6,000
SIMPLE 401(k) and SIMPLE IRA plans	\$12,500
Annual catch-up contribution (age 50+)	\$3,000

IRA contribution limits**

Traditional and Roth IRAs (combined)	\$5,500
Annual catch-up contribution (age 50+)	\$1,000

* Lesser of these limits or 100% of participant's compensation.

** Lesser of these limits or 100% of earned income.

MAGI phaseout limits for deductible contributions to a traditional IRA (affects taxpayers covered by an employer-sponsored retirement plan)

Single or head of household	\$62,000 to \$72,000
Married filing jointly when the spouse who makes the contribution is covered by a workplace plan	\$99,000 to \$119,000
Married filing jointly when the spouse who makes the contribution is not covered by a workplace plan but the other spouse is covered	\$186,000 to \$196,000
Married filing separately	Up to \$10,000

MAGI phaseout limits to contribute to a Roth IRA

Single or head of household	\$118,000 to \$133,000
Married filing jointly	\$186,000 to \$196,000
Married filing separately	Up to \$10,000



Estate Planning

Estate and gift tax

Annual gift tax exclusion	\$14,000
Noncitizen spouse annual gift tax exclusion	\$149,000
Top gift, estate, and generation-skipping transfer (GST) tax rate	40%
Gift tax and estate tax applicable exclusion amount	\$5,490,000 + DSUEA*
Generation-skipping transfer (GST) tax exemption	\$5,490,000**

* Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable).

**The GST tax exemption is not portable.

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Social Security/Medicare

Tax rate on earnings

FICA tax – Employee	
Social Security (OASDI) portion	6.2%
Medicare (HI) portion	1.45%*
FICA tax – Employer (OASDI & HI)	
7.65%	
FICA tax – Self-employed	
Social Security (OASDI) portion	12.4%
Medicare (HI) portion	2.9%*
Additional employee Medicare payroll tax/ self-employment tax on earnings in excess of specific limits*	0.9%*

Maximum taxable earnings

Social Security (OASDI only)	\$127,200
Medicare (HI only)	No limit

* Additional Medicare tax is assessed on earnings in excess of \$200,000 (single filer), \$250,000 (married filing jointly), or \$125,000 (married filing separately).



Alternative Minimum Tax (AMT)

	Maximum exemption amount	Exemption phaseout threshold
Single or head of household	\$54,300	\$120,700
Married filing jointly	\$84,500	\$160,900
Married filing separately	\$42,250	\$80,450
26% rate applies to AMT income up to \$187,800*		
28% rate applies to AMT income over \$187,800*		

* \$93,900 if married filing separately.



Standard Mileage

Standard mileage rates	Cents per mile
Business purposes	53.5¢
Medical purposes	17¢
Moving purposes	17¢
Charitable purposes	14¢