

# 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%				
\$91,901 to \$191,650	\$153,101 to \$233,350	28%				
\$191,650 to \$200,000	\$233,351 to \$250,000	33%	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	39.6%				
> \$418,400	> \$470,700	39.6%	20%			

\*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

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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			
Standard Deduction		Personal exemption	
Filing Status	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,	
Blind or > 65	\$1,250	but not completely phased out	
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.			

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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	
Deductible	\$5,500	\$1,000	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
Roth	\$5,500	\$1,000	\$186,000 to \$196,000	joint
			\$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		