

## Estate and Gift Taxes

|                           | 2016        | 2017        |
|---------------------------|-------------|-------------|
| Annual Gift Tax Exclusion | \$14,000    | \$14,000    |
| for Noncitizen Spouses    | \$148,000   | \$149,000   |
| Estate Tax Exclusion      | \$5,450,000 | \$5,490,000 |
| Gift Tax Exclusion        | \$5,450,000 | \$5,490,000 |
| Applicable Credit         | \$2,125,800 | \$2,141,800 |
| GST Tax Exemption         | \$5,450,000 | \$5,490,000 |

## Capital Gains Tax

|                 | Taxpayer in:       | Short-term<br>(≤ 12 months) | Long-term<br>(> 12 months) |
|-----------------|--------------------|-----------------------------|----------------------------|
| 2016 –<br>2017* | 10%, 15% brackets  | ordinary rates              | 0%                         |
|                 | 25% – 35% brackets | ordinary rates              | 15%                        |
|                 | 39.6% bracket      | ordinary rates              | 20%                        |

\*Additional 3.8% tax imposed on net investment income of higher-income taxpayers.

## AMT Exemption

|                        | 2016     | 2017     |
|------------------------|----------|----------|
| Single                 | \$53,900 | \$54,300 |
| Married filing jointly | \$83,800 | \$84,500 |

## Child Tax Credit

|      | 2016 | 2017    |
|------|------|---------|
| 2016 |      | \$1,000 |
| 2017 |      | \$1,000 |

## Kiddie Tax

|      | First   | Next                           | Amount Over                     |
|------|---------|--------------------------------|---------------------------------|
| 2016 | \$1,050 | \$1,050                        | \$2,100                         |
| 2017 | \$1,050 | \$1,050                        | \$2,100                         |
|      | No Tax  | Taxed at child's marginal rate | Taxed at parent's marginal rate |

## Education Incentives

|   | 2016    | 2017          |
|---|---------|---------------|
| Tuition Deduction (Absent Legislation)      | \$4,000 | Not available |
| Student Loan Interest Deduction             | \$2,500 | \$2,500       |
| American Opportunity Credit (modified Hope) | \$2,500 | \$2,500       |
| Lifetime Learning Credit                    | \$2,000 | \$2,000       |
| Coverdell ESAs                              | \$2,000 | \$2,000       |

## Health Savings Accounts (HSAs)

| Limit on Annual Contributions | 2016    | 2017    | *Individuals who will be at least age 55 by the end of the tax year. |
|-------------------------------|---------|---------|--|
| Individual                    | \$3,350 | \$3,400 |  |
| Family                        | \$6,750 | \$6,750 |  |
| Catch-up*                     | \$1,000 | \$1,000 |  |

## Business

### Depreciation

|                                  |   |
|----------------------------------|---|
| 36-Month Assets (Straight-Line)  | Most software   |
| 3-Year Assets (200% DB)          | Dies, molds, small tools, certain horses  |
| 5-Year Assets (200% DB)          | Autos, trucks, computers, office machinery, certain energy property, private aircraft       |
| 7-Year Assets (200% DB)          | Office furniture, fixtures and equipment, most manufacturing equipment, commercial aircraft |
| 7-Year Assets (150% DB)          | Farm equipment  |
| 27.5-Year Assets (Straight-Line) | Residential rental property   |
| 39-Year Assets (Straight-Line)   | Nonresidential real property  |

### Personal Property Depreciation

#### Percent of Original Depreciation Basis under 200% DB Method (Not applicable for mid-quarter convention)

| Recovery Year | 3-Year Class | 5-Year Class | 7-Year Class |
|---------------|--------------|--------------|--------------|
| 1             | 33.33        | 20.00        | 14.29        |
| 2             | 44.45        | 32.00        | 24.49        |
| 3             | 14.81        | 19.20        | 17.49        |
| 4             | 7.41         | 11.52        | 12.49        |
| 5             |              | 11.52        | 8.93         |
| 6             |              | 5.76         | 8.92         |
| 7             |              |              | 8.93         |
| 8             |              |              | 4.46         |

### Code Sec. 179 Expense Allowance

|                       | 2016        | 2017        |
|-----------------------|-------------|-------------|
| Dollar limitation     | \$500,000   | \$510,000   |
| Investment limitation | \$2,010,000 | \$2,030,000 |

## Corporate Income Tax Rates

2016 – 2017

| If Taxable Income Is: |                   |                 |                    |
|-----------------------|-------------------|-----------------|--------------------|
| Over                  | But Not More Than | 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                  |

## Mileage Rates

|      | Business       | Medical      | Charitable   | Moving       |
|------|----------------|--------------|--------------|--------------|
| 2016 | 54¢ per mile   | 19¢ per mile | 14¢ per mile | 19¢ per mile |
| 2017 | 53.5¢ per mile | 17¢ per mile | 14¢ per mile | 17¢ per mile |



# Tax Pocket | 2017 Guide



## 2016 Income Taxes

### If Taxable Income Is:

| Over | But Not More Than | The Tax Is | Of the Amount Over |
|------|-------------------|------------|--------------------|
|------|-------------------|------------|--------------------|

#### Married Filing Jointly:

|         |          |                    |         |
|---------|----------|--------------------|---------|
| \$0     | \$18,550 | \$0 + 10%          | \$0     |
| 18,550  | 75,300   | 1,855.00 + 15%     | 18,550  |
| 75,300  | 151,900  | 10,367.50 + 25%    | 75,300  |
| 151,900 | 231,450  | 29,517.50 + 28%    | 151,900 |
| 231,450 | 413,350  | 51,791.50 + 33%    | 231,450 |
| 413,350 | 466,950  | 111,818.50 + 35%   | 413,350 |
| 466,950 |          | 130,578.50 + 39.6% | 466,950 |

#### Married Filing Separately:

|         |         |                   |         |
|---------|---------|-------------------|---------|
| \$0     | \$9,275 | \$0 + 10%         | \$0     |
| 9,275   | 37,650  | 927.50 + 15%      | 9,275   |
| 37,650  | 75,950  | 5,183.75 + 25%    | 37,650  |
| 75,950  | 115,725 | 14,758.75 + 28%   | 75,950  |
| 115,725 | 206,675 | 25,895.75 + 33%   | 115,725 |
| 206,675 | 233,475 | 55,909.25 + 35%   | 206,675 |
| 233,475 |         | 65,289.25 + 39.6% | 233,475 |

#### Head of Household:

|         |          |                    |         |
|---------|----------|--------------------|---------|
| \$0     | \$13,250 | \$0 + 10%          | \$0     |
| 13,250  | 50,400   | 1,325.00 + 15%     | 13,250  |
| 50,400  | 130,150  | 6,897.50 + 25%     | 50,400  |
| 130,150 | 210,800  | 26,835.00 + 28%    | 130,150 |
| 210,800 | 413,350  | 49,417.00 + 33%    | 210,800 |
| 413,350 | 441,000  | 116,258.50 + 35%   | 413,350 |
| 441,000 |          | 125,936.00 + 39.6% | 441,000 |

#### Single:

|         |         |                    |         |
|---------|---------|--------------------|---------|
| \$0     | \$9,275 | \$0 + 10%          | \$0     |
| 9,275   | 37,650  | 927.50 + 15%       | 9,275   |
| 37,650  | 91,150  | 5,183.75 + 25%     | 37,650  |
| 91,150  | 190,150 | 18,558.75 + 28%    | 91,150  |
| 190,150 | 413,350 | 46,278.75 + 33%    | 190,150 |
| 413,350 | 415,050 | 119,934.75 + 35%   | 413,350 |
| 415,050 |         | 120,529.75 + 39.6% | 415,050 |

#### Estates and Trusts:

|        |         |                  |        |
|--------|---------|------------------|--------|
| \$0    | \$2,550 | \$0 + 15%        | \$0    |
| 2,550  | 5,950   | 382.50 + 25%     | 2,550  |
| 5,950  | 9,050   | 1,232.50 + 28%   | 5,950  |
| 9,050  | 12,400  | 2,100.50 + 33%   | 9,050  |
| 12,400 |         | 3,206.00 + 39.6% | 12,400 |

## Standard Deductions

|   |      | Annual   | Add'l Age 65 or Older or Blind |
|---|------|----------|--------------------------------|
| Married Filing Jointly/<br>Surviving Spouse | 2016 | \$12,600 | \$1,250                        |
|   | 2017 | \$12,700 | \$1,250                        |
| Married Filing Separately                   | 2016 | \$6,300  | \$1,250                        |
|   | 2017 | \$6,350  | \$1,250                        |
| Head of Household                           | 2016 | \$9,300  | \$1,550                        |
|   | 2017 | \$9,350  | \$1,550                        |
| Single                                      | 2016 | \$6,300  | \$1,550                        |
|   | 2017 | \$6,350  | \$1,550                        |

## 2017 Income Taxes

### If Taxable Income Is:

| Over | But Not More Than | The Tax Is | Of the Amount Over |
|------|-------------------|------------|--------------------|
|------|-------------------|------------|--------------------|

#### Married Filing Jointly:

|         |          |                    |         |
|---------|----------|--------------------|---------|
| \$0     | \$18,650 | \$0 + 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 |

#### Married Filing Separately:

|         |         |                   |         |
|---------|---------|-------------------|---------|
| \$0     | \$9,325 | \$0 + 10%         | \$0     |
| 9,325   | 37,950  | 932.50 + 15%      | 9,325   |
| 37,950  | 76,550  | 5,226.25 + 25%    | 37,950  |
| 76,550  | 116,675 | 14,876.25 + 28%   | 76,550  |
| 116,675 | 208,350 | 26,111.25 + 33%   | 116,675 |
| 208,350 | 235,350 | 56,364.00 + 35%   | 208,350 |
| 235,350 |         | 65,814.00 + 39.6% | 235,350 |

#### Head of Household:

|         |          |                    |         |
|---------|----------|--------------------|---------|
| \$0     | \$13,350 | \$0 + 10%          | \$0     |
| 13,350  | 50,800   | 1,335.00 + 15%     | 13,350  |
| 50,800  | 131,200  | 6,952.50 + 25%     | 50,800  |
| 131,200 | 212,500  | 27,052.50 + 28%    | 131,200 |
| 212,500 | 416,700  | 49,816.50 + 33%    | 212,500 |
| 416,700 | 444,550  | 117,202.50 + 35%   | 416,700 |
| 444,550 |          | 126,950.00 + 39.6% | 444,550 |

#### Single:

|         |         |                    |         |
|---------|---------|--------------------|---------|
| \$0     | \$9,325 | \$0 + 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 |

#### Estates and Trusts:

|        |         |                  |        |
|--------|---------|------------------|--------|
| \$0    | \$2,550 | \$0 + 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 |

## Personal Exemptions

|      | Exemption | AGI Threshold   |
|------|-----------|---|
| 2016 | \$4,050   | MFJ \$311,300; MFS \$155,650; HoH \$285,350; Single \$259,400 |
| 2017 | \$4,050   | MFJ \$313,800; MFS \$156,900; HoH \$287,650; Single \$261,500 |

## Qualified Plans

|  | 2016      | 2017      |
|--|-----------|-----------|
| Maximum elective deferral to retirement plans [e.g., 401(k), 403(b)] | \$18,000  | \$18,000  |
| Maximum elective deferral to SIMPLE IRAs                             | \$12,500  | \$12,500  |
| Maximum elective deferral to 457 plans or exempt employers           | \$18,000  | \$18,000  |
| Limit on annual additions to SEPs                                    | \$53,000  | \$54,000  |
| Limit on annual additions to defined contribution plans              | \$53,000  | \$54,000  |
| Maximum annual compensation taken into account for contributions     | \$265,000 | \$270,000 |
| Annual benefit limit under defined benefit plans                     | \$210,000 | \$215,000 |
| Threshold amount for definition of highly compensated employee       | \$120,000 | \$120,000 |
| Threshold amount for definition of key employee in top-heavy plans   | \$170,000 | \$175,000 |
| <b>Catch-up Contribution Limits</b>                                  |           |           |
| 401(k), 403(b), SARSEP and 457(b) plans                              | \$6,000   | \$6,000   |
| SIMPLEs  | \$3,000   | \$3,000   |

### IRAs

#### Contribution Limits - Traditional and Roth

|           | 2016    | 2017    |
|-----------|---------|---------|
| Regular   | \$5,500 | \$5,500 |
| Catch-up* | \$1,000 | \$1,000 |

\* Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

### Roth IRAs

#### Contributions to Roth IRAs

|   | 2016                  | 2017                  |
|---|-----------------------|-----------------------|
| Married Filing Jointly                            | \$184,000 – \$194,000 | \$186,000 – \$196,000 |
| Single  | \$117,000 – \$132,000 | \$118,000 – \$133,000 |
| Married Filing Separately (and lived with spouse) | \$0 – \$10,000        | \$0 – \$10,000        |

## Social Security

### Maximum Compensation Subject to FICA

|               | 2016      | 2017      |
|---------------|-----------|-----------|
| OASDI Maximum | \$118,500 | \$127,200 |
| HI Maximum    | No Limit  | No Limit  |

• OASDI tax rate – 2016 & 2017: 12.4% self-employed, 6.2% employees

• HI tax rate\* – 2016 & 2017: 2.9% self-employed, 1.45% employees

\* Additional 0.9% tax imposed on higher-income taxpayers.

### Maximum Amount of Earnings to Still Receive Full Benefits

|                           | 2016     | 2017     |
|---------------------------|----------|----------|
| Under full retirement age | \$15,720 | \$16,920 |

### MAGI Amounts for Benefits to Be Taxable

|                        | 50% Taxable | 85% Taxable |
|------------------------|-------------|-------------|
| Married Filing Jointly | \$32,000    | \$44,000    |
| Single                 | \$25,000    | \$34,000    |