

## Tax Inflation Numbers 2017 & 2018

### Standard Deduction

Filing Status	2017	2018
Single	6,350	12,000
MFJ/QW	12,700	24,000
HOH	9,350	18,000
MFS	6,350	12,000

### Additional Standard Deduction (Age 65 or older or Blind)

Filing Status	2017	2018
Single	1,550	1,600
MFJ/QW	1,250	1,300
HOH	1,550	1,600
MFS	1,250	1,300

### 2017 Phase out of Itemized Deductions

Filing Status	Begins at
Single	261,500
MFJ/QW	313,800
HOH	287,650
MFS	156,900

The total amount of itemized deductions that may be claimed by a taxpayer are reduced or phased out by the amount by which the taxpayer's AGI exceeds the threshold amount. However, the amount of itemized deduction is not reduced by more than 80%. In addition, medical expenses, investment interest expense, casualty losses, and gambling losses are not phased out.

**Effective 2018, the phase-out of the itemized deductions provision is suspended for tax years 2017 through 2025.**

**2018 Standard Deduction Dependent\*\* = Greater of Earned Income + \$350 or \$1,050.**

**2017/2018 Kiddie Tax Threshold\*\* = \$2,100**

\*\* Starting in 2018, the parent's tax rate is no longer used to calculate kiddie tax. Instead, taxable income attributable to net unearned income is taxed according to the tax brackets applicable to trusts and estates, with respect to both ordinary income and income taxed at the preferential net long-term capital gain rates.

**2017 Personal/Dependent Exemption = \$4,050**

Effective 2018, the deduction for personal exemptions is suspended for tax years 2018 through 2025

**2017 Phase out of Personal/Dependent Exemptions**

Filing Status	Beginning	End
Single	261,500	384,000
MFJ/QW	313,800	436,300
HOH	287,650	410,150
MFS	156,900	218,150

The total amount of exemption that may be claimed by a taxpayer are reduced or phased out by 2% for each \$2,500 (or fraction thereof) that a taxpayer's AGI exceeds the threshold amount. (In the case of a MFS the phase out is 2% for each \$1,250)

**Effective 2018, the phase-out of the Personal/Dependent Exemption provision is no longer applicable because the deduction of personal/depended exemptions is suspended for tax years 2017 through 2025.**

**Child Tax Credit**

	2017	2018
Maximum Credit	1,000	2,000
Refundability %	15%	15%*
Of earned income in excess of	3,000	2,500

\* Starting 2018, the refundable portion cannot exceed \$1,400 per qualifying child.

**MAGI Phaseout Threshold for Child Tax Credit**

	2017	2018
Single	75,000	200,000
MFJ/ QW	110,000	400,000
MFS	55,000	200,000

**Qualifying Dependent (other than Qualifying Child) Credit for 2018 is \$500 nonrefundable.**

**Adoption Credit**

	2017	2018
Credit	13,570	13,810
MAGI Phaseout	203,540 – 243,540	207,140 – 247,140

**Earned Income Credit 2017**

<b>ITEM</b>	<b>ONE</b>	<b>TWO</b>	<b>THREE</b>	<b>NONE</b>
Earned Income Amount	10,000	14,040	14,040	6,670
Maximum Amount of Credit	3,400	5,616	6,318	510
Threshold Phaseout (S/SS/HOH)	18,340	18,340	18,340	8,340
Completed Phaseout (S/SS/HOH)	39,617	45,007	48,340	15,010
Threshold Phaseout (MFJ)	23,930	23,930	23,930	13,930
Completed Phaseout (MFJ)	45,207	50,597	53,930	20,600

**Earned Income Credit 2018**

<b>ITEM</b>	<b>ONE</b>	<b>TWO</b>	<b>THREE</b>	<b>NONE</b>
Earned Income Amount	10,180	14,290	14,290	6,780
Maximum Amount of Credit	3,461	5,716	6,431	519
Threshold Phaseout (S/HOH/QW)	18,660	18,660	18,660	8,490
Completed Phaseout (S/HOH/QW)	40,320	45,802	49,194	15,270
Threshold Phaseout (MFJ)	24,350	24,350	24,350	14,170
Completed Phaseout (MFJ)	46,010	51,492	54,884	20,950

**Section 179 Expensing**

	<b>2017</b>	<b>2018</b>
Expense Limit	510,000	1,000,000
Phaseout	2,030,000	2,500,000

**Mileage Rate (per mile)**

	<b>2017</b>	<b>2018</b>
Business	.535	.545
Charitable	.14	.14
Moving*	.17	.18
Medical	.17	.18

\* Effective 2018, the moving expense deduction and the exclusion from income provision is allowed only to members of the Armed Forces (or their spouse or dependents) on active duty that move pursuant to a military order and incident to a permanent change of station.

**Employer Provided Education Assistance**

<b>2017</b>	<b>2018</b>
5,250	5,250

**Qualified Transportation - monthly**

	<b>2017</b>	<b>2018</b>
Commuter Vehicle and Transit Pass	255	260*
Qualified Parking	255	260*
Bicycle	20	0

\*The qualified transportation fringe benefit, including the parking and transit passes are no longer deductible to the Employer. Employers may continue to give the benefit and lose the deduction or they may include it in Employee's taxable income.

**Foreign Earned Income Exclusion**

<b>2017</b>	<b>2018</b>
102,100	103,900

**1244 Loss limit**

	<b>2017</b>	<b>2018</b>
Single	50,000	50,000
MFJ	100,000	100,000

**Rental Real Estate Individual Exception (\$25,000)**

<b>2017</b>	<b>2018</b>
100,000	100,000

**Failure to File Minimum**

<b>2017</b>	<b>2018</b>
210	210

**AMT Exemption Amounts**

<b>Filing Status</b>	<b>2017</b>	<b>2018</b>
Single/HOH	54,300	70,300
MFJ/QW	84,500	109,400
MFS	42,250	54,700
Estate & Trusts	24,100	24,600

**Phaseout of AMT Exemption Amounts**

<b>Filing Status</b>	<b>2017</b>	<b>2018</b>
Single/HOH	120,700 – 337,900	500,000 – 781,200
MFJ/QW	160,900 – 498,900	1,000,000 – 1,437,600
MFS	80,450 – 249,450	500,000 – 718,800

Reduction is \$1 for every \$4 over AMTI

**AMT 28% Rate Starts at (26% applies for amounts below)**

<b>Filing Status</b>	<b>2017</b>	<b>2018</b>
All others	187,800	191,100
MFS	93,900	95,550

**Trust & Estate Income Tax Rates 2017**

<b>Over</b>	<b>But not over</b>	<b>Pay</b>	<b>%</b>	<b>Of amount over</b>
0	2,550		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

**Trust & Estate Income Tax Rates 2018**

<b>Over</b>	<b>But not over</b>	<b>Pay</b>	<b>%</b>	<b>Of amount over</b>
0	2,550		10	0
2,550	9,150	255.00	24	2,550
9,150	12,500	1,839.00	35	9,150
12,500		3,011.50	37	12,500

### Income Tax Rates 2017

#### Single

Over	But not over	Pay	%	Of amount over
0	9,325		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

#### Married Filing Joint/Qualifying Widow

Over	But not over	Pay	%	Of amount over
0	18,650		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

#### Head of House Hold

Over	But not over	pay	%	Of amount over
0	13,350		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

#### Married Filing Separate

Over	But not over	pay	%	Of amount over
0	9,325		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

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**Income Tax Rates 2018**
**Single**

Over	But not over	Pay	%	Of amount over
0	9,525		10	0
9,525	38,700	952.50	12	9,525
38,700	82,500	4,453.50	22	38,700
82,500	157,500	14,089.50	24	82,500
157,500	200,000	32,089.50	32	157,500
200,000	500,000	45,689.50	35	200,000
500,000		150,689.50	37	500,000

**Married Filing Joint/Qualifying Widow**

Over	But not over	Pay	%	Of amount over
0	19,050		10	0
19,050	77,400	1,905	12	19,050
77,400	165,000	8,907	22	77,400
165,000	315,000	28,179	24	165,000
315,000	400,000	64,179	32	315,000
400,000	600,000	91,379	35	400,000
600,000		161,379	37	600,000

**Head of House Hold**

Over	But not over	pay	%	Of amount over
0	13,600		10	0
13,600	51,800	1,360	12	13,600
51,800	82,500	5,944	22	51,850
82,500	157,500	12,698	24	82,500
157,500	200,000	30,698	32	157,500
200,000	500,000	44,298	35	200,000
500,000		149,298	37	500,000

**Married Filing Separate**

Over	But not over	pay	%	Of amount over
0	9,525		10	0
9,525	38,700	952.50	12	9,525
38,700	82,500	4,453.50	22	38,700
82,500	157,500	14,089.50	24	82,500
157,500	200,000	32,089.50	32	157,500
200,000	300,000	45,689.50	35	200,000
300,000		80,689.50	37	300,000

## Retirement Inflation Numbers

	<b>2017</b>	<b>2018</b>
Covered Comp Limit	270,000	275,000
DB Max Benefit	215,000	220,000
DC Max Contribution	54,000	55,000
Employee Deferral Limit		
• 401(k)/403(b)	18,000	18,500
• 457 Deferral Limit	18,000	18,500
• SIMPLE	12,500	12,500
• IRA Contribution Limit	5,500	5,500
Catch Up (Age 50 and older)		
• 401(k)/403(b)	6,000	6,000
• 457	6,000	6,000
• SIMPLE	3,000	3,000
• IRA	1,000	1,000
Highly Comp		
Greater than 5% owner	All	All
Compensation	120,000	120,000
Key Employee		
Greater than 5% owner	All	All
>1% owner with Comp > than	150,000	150,000
Officer with Comp > than	175,000	175,000
ESOP 5 year distribution period	1,080,000	1,105,000
Amount to determine lengthening 5 years	215,000	220,000
SEP Min Earnings	600	600
Social Security		
• Wage Base (6.2%)	127,200	128,400
• Medicare (1.45%)	All	All
• Excess Medicare tax (0.9%)*	200/250 MFJ	200/250 MFJ
• Max Monthly Benefit	2,687	2,788
• Quarter of Coverage	1,300	1,320
Disability Thresholds		
• Max Earnings – Blind monthly	1,950	1,970
• Max Earnings – Not Blind monthly	1,170	1,180
• Trial Work Period (TWP)	840	850



	2017	2018
PBGC Annual Benefit @65	64,432	65,045
PBGC Annual Premium		
• Single ER Plan – flat per person	69	74
• Multi ER Plan - flat per person	28	28
• Variable – per 1,000 of unfunded vested benefits	34	38
○ Cap per person	517	523
Social Security Earnings Test – Yr		
• Under Full Retirement Age	16,920	17,040
• Year of Full Retirement Age	44,880	45,360
Cafeteria Plan – Health FSA	2,600	2,650
Saver’s Credit		
• MFJ	62,000	63,000
• HOH	46,500	47,250
• MFS/S	31,000	31,500

\* Individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes, employees portion only, not employers portion.

### Traditional IRA Limitations

Taxpayer and spouse are not an active participant	Taxpayer(s) is/are an active participant in a qualified plan		Taxpayer is NOT an active participant, but taxpayer’s spouse is active
No AGI Limit	Single/HOH	AGI Phaseout	
		\$62k - \$72k (2017) \$63k - \$73k (2018)	
	MFJ	AGI Phaseout	AGI Phaseout
		\$99k - \$119k (2017) \$101k - \$121k (2018)	\$186k - \$196k (2017) \$189k - \$199k (2018)

### Roth IRA Limitations

Filing Status	2017	2018
Single/HOH	118,000 – 133,000	120,000 – 135,000
MFJ	186,000 – 196,000	189,000 – 199,000
MFS	0 – 10,000	0 – 10,000

### Estate Inflation Numbers

	<b>2017</b>	<b>2018</b>
Annual Gift Tax Exclusion	14,000	15,000
Non US Citizen annual gift exclusion	149,000	152,000
Gift/Estate Credit Amount	2,141,800	4,417,800
Gift/Estate Exclusion Amount	5,490,000	11,180,000
Max Gift & Estate Rate	40%	40%
GSTT exemption	5,490,000	11,180,000
Estate Installments	1,490,000	1,520,000
• Amount @ 2%	596,000*	608,000*
Special Use Valuation	1,120,000	1,140,000

\*Calculation (1,520,000 x 40%)

### Tax Rates

Taxable Gifts/Estate are...	Then Tentative Gift/Estate Tax Equals...
Over \$0 but not over \$10,000	18% of such amount
Over \$10,000 but not over \$20,000	\$1,800 plus 20% of the excess of such amount over \$10,000
Over \$20,000 but not over \$40,000	\$3,800 plus 22% of the excess of such amount over \$20,000
Over \$40,000 but not over \$60,000	\$8,200 plus 24% of the excess of such amount over \$40,000
Over \$60,000 but not over \$80,000	\$13,000 plus 26% of the excess of such amount over \$60,000
Over \$80,000 but not over \$100,000	\$18,200 plus 28% of the excess of such amount over \$80,000
Over \$100,000 but not over \$150,000	\$23,800 plus 30% of the excess of such amount over \$100,000
Over \$150,000 but not over \$250,000	\$38,800 plus 32% of the excess of such amount over \$150,000
Over \$250,000 but not over \$500,000	\$70,800 plus 34% of the excess of such amount over \$250,000
Over \$500,000 but not over \$750,000	\$155,800 plus 37% of the excess of such amount over \$500,000
Over \$750,000 but not over \$1,000,000	\$248,300 plus 39% of the excess of such amount over \$750,000
Over \$1,000,000	\$345,800 plus 40% of the excess of such amount over \$1,000,000

## Fundamentals Inflation Numbers

### Student Loan Interest Deduction (\$2,500)

	2017	2018
	MAGI Phaseout	
Single	65,000 – 80,000	65,000 – 80,000
MFJ/QW	135,000 – 165,000	135,000 – 165,000

### Lifetime Learning Credit

	2017	2018
	MAGI Phaseout	
Single	56,000 – 66,000	57,000 – 67,000
MFJ/QW	112,000 – 132,000	114,000 – 134,000

20% of the first \$10,000 of qualified higher education expenses

### American Opportunity Credit/Hope Scholarship Credit

	2017	2018
Max Credit	2,500	2,500
	MAGI Phaseout	
Single	80,000 – 90,000	80,000 – 90,000
MFJ/QW	160,000 – 180,000	160,000 – 180,000

100% of the first \$2,000 of qualified tuition expenses plus 25% of the next \$2,000 for the first four years of post-secondary education.

### US Savings Bond Interest Exclusion

	2017	2018
	MAGI Phaseout	
Single	78,150 – 93,150	79,550 – 94,550
MFJ/QW	117,250 – 147,250	119,300 – 149,300

### Coverdell Education Savings Account (\$2,000)

	2017	2018
	MAGI Phaseout	
Single	95,000 – 110,000	95,000 – 110,000
MFJ/QW	190,000 – 220,000	190,000 – 220,000

### Eligible Long-Term Care Premiums

Attained Age Before Year End	2017	2018
40 or less	410	420
>40 and ≤ 50	770	780
>50 and ≤ 60	1,530	1,560
>60 and ≤ 70	4,090	4,160
> 70	5,110	5,200

### Archer Medical Savings Accounts

	2017	2018
<b>Self Only Coverage</b>		
• Deductible not less than	2,250	2,300
• And not more than	3,350	3,450
• Annual out of pocket expense does not exceed	4,500	4,550
<b>Family Coverage</b>		
• Deductible not less than	4,500	4,600
• And not more than	6,750	6,850
• Annual out of pocket expense does not exceed	8,250	8,400

### Health Savings Accounts

	2017	2018
<b>Self Only Coverage</b>		
• Deductible not less than	1,300	1,350
• Annual out of pocket expense does not exceed	6,550	6,650
• Annual Contribution	3,400	3,450
<b>Family Coverage</b>		
• Deductible not less than	2,600	2,700
• Annual out of pocket expense does not exceed	13,100	13,300
• Annual Contribution	6,750	6,850
<b>Catch up for 55 or older</b>	1,000	1,000

**Medicare**

	<b>2017</b>	<b>2018</b>
<b>Part A</b>		
Deductible per benefit period (days 1-60)	1,316	1,340
Coinsurance per day (days 61 – 90)	329	335
Coinsurance per day (days 91 – 150)**Lifetime reserve days	658	670
Skilled Nursing coinsurance (days 21-100)	164.50	167.50
Hospital Insurance Premiums per month	413	422
<b>Part B</b>		
Deductible per year	183	183
Monthly Premium*	134	134

\* May vary depending on income.

**Social Security Maximum Family Benefit**

**2017**

- (a) 150 percent of the first \$1,131 of the worker's PIA, plus
- (b) 272 percent of the worker's PIA over \$1,131 through \$1,633, plus
- (c) 134 percent of the worker's PIA over \$1,633 through \$2,130, plus
- (d) 175 percent of the worker's PIA over \$2,130.

**2018**

- (a) 150 percent of the first \$1,144 of the worker's PIA, plus
- (b) 272 percent of the worker's PIA over \$1,144 through \$1,651, plus
- (c) 134 percent of the worker's PIA over \$1,651 through \$2,154, plus
- (d) 175 percent of the worker's PIA over \$2,154.

**Social Security PIA**

**2017**

Sum of three separate percentages of the AIME

- (a) 90% of the first \$885
- (b) 32% of the AIME over \$885 and less than \$5,336
- (c) 15% of the AIME that exceeds \$5,336

Maximum PIA = \$2,687 at Normal Retirement Age

Calculated at age 62

**2018**

Sum of three separate percentages of the AIME

- (d) 90% of the first \$895
- (e) 32% of the AIME over \$895 and less than \$5,397
- (f) 15% of the AIME that exceeds \$5,397

Maximum PIA = \$2,788 at Normal Retirement Age

Calculated at age 62