

2017 Tax Facts

Ordinary Tax Rates and Brackets

	Taxable Income	Pay	% on excess	Of the amount over:
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
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
Estates and Non-grantor 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

- The tax rate on long-term capital gains and qualified dividends for individuals, estates and grantor trusts varies as income rises:

Tax Bracket	Tax Rate
15% or lower	0%
25% through 35%	15%
39.6%	20%

- In addition, married taxpayers with Modified AGI over \$250,000 (singles over \$200,000) and estates/non-grantor trusts in the top tax bracket are subject to an additional 3.8% tax on Net Investment Income.

The income brackets in the above table are adjusted annually for inflation. Robert W. Baird & Co. does not provide tax advice. Any investment strategies should be implemented under the supervision of a qualified tax advisor.

Standard Deduction / Personal Exemptions

	2017	2016	2015	
Single	\$6,350	\$6,300	\$6,300	
Married, filing jointly	\$12,700	\$12,600	\$12,600	
Married, filing separately	\$6,350	\$6,300	\$6,300	
Head of Household	\$9,350	\$9,300	\$9,250	
Additional deduction for aged or blind – married	\$1,250	\$1,250	\$1,250	
Additional deduction for aged or blind – single	\$1,550	\$1,550	\$1,550	
Personal exemption	\$4,050	\$4,050	\$4,000	
AGI where itemized deduction/personal exemption phase-outs begin	Single	\$261,500	\$259,400	\$258,250
	Married Filing Joint	\$313,800	\$311,300	\$309,900
	Married Filing Separate	\$156,900	\$155,650	\$154,950
	Head of Household	\$287,650	\$285,350	\$284,050

- The standard deduction for dependents is the greater of (i) \$1,050 or (ii) the sum of \$350 and the individual's earned income.

Kiddie Tax

	2017	2016	2015
Unearned income exempt from tax	\$1,050	\$1,050	\$1,050
Unearned income taxed at child's rate	\$1,050	\$1,050	\$1,050
Point at which income is taxed to parent	\$2,100	\$2,100	\$2,100

Alternative Minimum Tax

	2017 Taxable Income	Pay	Plus % on excess	Of the amount over:
Single, Head of Household, Married Filing Joint	\$0 - \$187,800	\$0	26%	\$0
	\$187,800 and above	\$48,620	28%	\$187,000
Married Filing Separate	\$0 - \$93,900	\$0	26%	\$0
	\$93,900 and above	\$24,414	28%	\$93,900

- For AMT purposes, long-term capital gains and qualified dividends are taxed at either 15% or 20%, using the same income thresholds as for regular tax.

	2017	2016	2015	
Personal Exemption for AMT	Single	\$54,300	\$53,900	\$53,600
	Married Filing Joint	\$84,500	\$83,800	\$83,400
	Married Filing Separate	\$42,250	\$41,900	\$41,700
	Head of Household	\$54,300	\$53,900	\$53,600

- For 2017, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$160,900, above \$80,450 for couples filing separately, and above \$120,700 for unmarried taxpayers.



2017 Tax Facts, *continued.*

Retirement Plan Contribution Limits

	2017	2016	2015
IRA and Roth IRA regular contributions	\$5,500	\$5,500	\$5,500
IRA and Roth IRA catch-up contributions	\$1,000	\$1,000	\$1,000
AGI phaseout range for IRA deduction - single	\$62,000- \$72,000	\$61,000- \$71,000	\$61,000 - \$71,000
AGI phaseout range for IRA deduction - married	\$99,000- \$119,000	\$98,000- \$118,000	\$98,000 - \$118,000
401(k), 403(b) regular contributions	\$18,000	\$18,000	\$18,000
401(k), 403(b) catch-up contributions	\$6,000	\$6,000	\$6,000
Profit Sharing or MPP	\$54,000	\$53,000	\$53,000
Individual 401(k) (Salary Deferral + Profit Sharing)	\$54,000	\$53,000	\$53,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	\$60,000	\$59,000	\$59,000
SIMPLE IRA regular contributions	\$12,500	\$12,500	\$12,500
SIMPLE IRA catch-up contributions	\$3,000	\$3,000	\$3,000
SEP plan contributions	\$54,000	\$53,000	\$53,000
Total Defined Contribution plan contributions	\$54,000	\$53,000	\$53,000

- Catch-up contributions to IRAs and Roth IRAs are available to taxpayers age 50 and older by 12/31/17.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$186,000 and \$196,000 for 2017 (\$184,000 and \$194,000 for 2016).
- Roth IRA contributions in 2017 begin to be phased-out for couples with MAGI of \$186,000 (\$118,000 for single taxpayers), and is fully phased out for couples with MAGI of \$196,000 (\$133,000 for single taxpayers).

Social Security Taxes and Benefits

	2017	2016	2015
Maximum wages subject to FICA tax	\$127,200	\$118,500	\$118,500
Maximum earned income before reduction in SS benefits (up to full retirement age)	\$16,920	\$15,720	\$15,720
Maximum SS benefit, retiring at full retirement age	\$2,687/mo	\$2,639/mo	\$2,663/mo

- Earned income above threshold, for taxpayers younger than full retirement age, results in reduced Social Security benefits. Benefit amount is reduced by \$1 for every \$2 over the threshold.

Taxability of Benefits	Single, Head of Household, Married Filing Separate	Married Filing Joint	Taxable Portion of Benefits
Income Level	\$0 - \$25,000	\$0 - \$32,000	0%
	\$25,000 - \$34,000	\$32,000 - \$44,000	50%
	Over \$34,000	Over \$44,000	85%

- Income for purposes of this test includes:
 - All income included on lines 7 through 19, plus line 21, of Form 1040
 - Any tax-exempt interest included on line 8b of Form 1040
 - Half the Social Security benefit itself



2017 Tax Facts, *continued.*

Health Savings Accounts

	2017	2016	2015
Contribution Limit – Single Coverage	\$3,400	\$3,350	\$3,350
Contribution Limit – Family Coverage	\$6,750	\$6,750	\$6,650
Catch-up Contribution	\$1,000	\$1,000	\$1,000
Minimum Deductible – Single	\$1,300	\$1,300	\$1,300
Minimum Deductible – Family	\$2,600	\$2,600	\$2,600

- Catch-up contributions to HSAs are available to account holders age 55 and older by 12/31/17.
- The Minimum Deductible shown above is the minimum amount allowed for the plan to be considered a High Deductible Plan.
- Out of pocket expenses under the plan can't exceed \$6,550 for singles, \$13,100 for a couple.

Estate Planning – Estate and Gift Tax Exemption and Annual Gift Exclusion

Decedents dying in:	Exemption Amount	Tax Rate
2009	\$3,500,000	45%
2010	\$5 million, but estates may elect no estate tax, with capital gain tax on appreciation above \$1.3 million	35%
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$5,250,000	40%
2014	\$5,340,000	40%
2015	\$5,430,000	40%
2016	\$5,450,000	40%
2017	\$5,490,000	40%

- Individuals may use the full \$5,490,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$10,980,000). The 40% gift tax rate will apply to gifts above the exemption amount.

	2017	2016	2015
Annual Gift Tax exclusion	\$14,000	\$14,000	\$14,000

- The annual exclusion is indexed annually for inflation, but increases are only made in \$1,000 increments.