

2018 Tax Facts

ORDINARY TAX RATES AND BRACKETS

	Taxable Income	Pay	% on excess	Of the amount over:
Single	\$0 - \$9,525	\$0	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 Jointly	\$0 - \$19,050	\$0	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	165,500
	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
Married Filing Separately	\$0 - \$9,525	\$0	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
Head of Household	\$0 - \$13,600	\$0	10%	\$0
	13,600 - 51,800	1,360	12	13,600
	51,800 - 82,500	5,944	22	51,800
	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
Estates and Non-Grantor Trusts	\$0 - \$2,550	\$0	10%	\$0
	2,550 - 9,150	255	24	2,550
	9,150 - 12,500	1,839	35	9,150
	12,500+	3,011.50	37	12,500

- The tax rate on long-term capital gains and qualified dividends for individuals, estates and grantor trusts is also based on a bracketed system:

Long-Term Capital Gain Tax Rate	Single	Married Filing Joint	Married Filing Separately	Head of Household	Estates & Non-Grantor Trusts
0%	\$0 - 38,600	\$0 - 77,200	\$0 - 38,600	\$0 - 51,700	\$0 - 2,600
15%	\$38,600 - 425,800	\$77,200 - 479,000	\$38,600 - 239,500	\$51,700 - 452,400	\$2,600 - 12,700
20%	\$425,800+	\$479,000+	\$239,500+	\$452,400+	\$12,700+

- 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.

STANDARD DEDUCTION / PERSONAL EXEMPTIONS

	2018	2017	2016
Single	\$12,000	\$6,350	\$6,300
Married, filing jointly	\$24,000	\$12,700	\$12,600
Married, filing separately	\$12,000	\$6,350	\$6,300
Head of Household	\$18,000	\$9,350	\$9,300
Additional deduction for aged or blind – married	\$1,300	\$1,250	\$1,250
Additional deduction for aged or blind – single	\$1,600	\$1,550	\$1,550
Personal exemption	N/A	\$4,050	\$4,050
AGI where itemized deduction/personal exemption phase-outs begin	Single	N/A	\$261,500
	Married Filing Joint	N/A	\$313,800
	Married Filing Separate	N/A	\$156,900
	Head of Household	N/A	\$287,650

- The standard deduction for dependents is the greater of (i) \$1,050 or (ii) the sum of \$350 and the individual's earned income.
- Personal exemptions and the phaseout of itemized deductions are both repealed as of 2018.

KIDDIE TAX

	2018	2017	2016
Standard Deduction for dependent with no earned income	\$1,050	\$1,050	\$1,050
Maximum net unearned income taxed at child's rate (using the tax rates & brackets for a single filer)	\$1,050	\$1,050	\$1,050
Floor beyond which additional unearned income is taxed at the parent's tax rate	N/A	\$2,100	\$2,100
Floor beyond which additional unearned income is taxed at the trust tax rates	\$2,100	N/A	N/A

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

ALTERNATIVE MINIMUM TAX

	2018 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.

AMT Personal Exemption	2018	2017	2016
Single	\$70,300	\$54,300	\$53,900
Married Filing Joint	\$109,400	\$84,500	\$83,800
Married Filing Separate	\$54,700	\$42,250	\$41,900
Head of Household	\$70,300	\$54,300	\$53,900

- For 2018, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$1 million, and above \$500,000 for all other taxpayers. The amount of exemption lost equals 25% of AMTI over the applicable threshold.

RETIREMENT PLAN CONTRIBUTION LIMITS

Traditional & Roth IRAs	2018	2017	2016
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	\$63,000- \$73,000	\$62,000- \$72,000	\$61,000- \$71,000
AGI phaseout range for IRA deduction - married	\$101,000- \$121,000	\$99,000- \$119,000	\$98,000- \$118,000
Roth IRA contribution AGI range – single	\$120,000 - \$135,000	\$118,000 - \$133,000	\$117,000 - \$132,000
Roth IRA contribution AGI range – married	\$189,000 - 199,000	\$186,000 - 196,000	\$184,000 - 194,000

- Catch-up contributions to IRAs and Roth IRAs are available to taxpayers age 50 and older by 12/31/18.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$189,000 and \$199,000 for 2018 (\$186,000 and \$196,000 for 2017).

Employer Plans	2018	2017	2016
401(k), 403(b) regular contributions	\$18,500	\$18,000	\$18,000
401(k), 403(b) catch-up contributions	\$6,000	\$6,000	\$6,000
Profit Sharing or MPP	\$55,000	\$54,000	\$53,000
Individual 401(k) (Salary Deferral + Profit Sharing)	\$55,000	\$54,000	\$53,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	\$61,000	\$60,000	\$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	\$55,000	\$54,000	\$53,000
Total Defined Contribution plan contributions	\$55,000	\$54,000	\$53,000

SOCIAL SECURITY TAXES AND BENEFITS

	2018	2017	2016
Maximum wages subject to FICA tax	\$128,400	\$127,200	\$118,500
Maximum earned income before reduction in SS benefits (up to full retirement age)	\$17,040	\$16,920	\$15,720
Maximum SS benefit, retiring at full retirement age	\$2,788/mo	\$2,687/mo	\$2,639/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:
 1. All income included on lines 7 through 19, plus line 21, of Form 1040
 2. Any tax-exempt interest included on line 8b of Form 1040
 3. Half the Social Security benefit itself

HEALTH SAVINGS ACCOUNTS

	2018	2017	2016
Contribution Limit – Single Coverage	\$3,450	\$3,400	\$3,350
Contribution Limit – Family Coverage	\$6,900	\$6,750	\$6,750
Catch-up Contribution	\$1,000	\$1,000	\$1,000
Minimum Deductible – Single	\$1,350	\$1,300	\$1,300
Minimum Deductible – Family	\$2,700	\$2,600	\$2,600

- Catch-up contributions to HSAs are available to account holders age 55 and older by 12/31/18.
- 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 \$6,650 for singles, \$13,300 for a couple.

ESTATE PLANNING

Decedents dying in:	Lifetime 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%
2018	\$11,200,000	40%

- Individuals may use the full \$11,200,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$22,400,000). The 40% gift tax rate will apply to gifts above the exemption amount.

	2018	2017	2016
Annual Gift Tax exclusion	\$15,000	\$14,000	\$14,000

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