



2018 TAX UPDATES

Income Tax Brackets 2018

Married, joint	
\$0-\$19,050	10%
\$19,051-\$77,400	12%
\$77,401-\$165,000	22%
\$165,001-\$315,000	24%
\$315,001-\$400,000	32%
\$400,001-\$600,000	35%
Over \$600,000	37%

Single	
\$0-\$9,525	10%
\$9,526-\$38,700	12%
\$38,701-\$82,500	22%
\$82,501-\$157,500	24%
\$157,501-\$200,000	32%
\$200,001-\$500,000	35%
Over \$500,000	37%

Head of Household	
\$0-\$13,600	10%
\$13,601-\$51,800	12%
\$51,801-\$82,500	22%
\$82,501-\$157,500	24%
\$157,501-\$200,000	32%
\$200,001-\$500,000	35%
Over \$500,000	37%

Trusts	
\$0-\$2,550	10%
\$2,551-\$9,150	24%
\$9,151-\$12,500	35%
Over \$12,500	37%

Tax Rates apply to unearned income of dependents ("Kiddie Tax")

Standard Deductions

Married, joint	\$24,000
Married, separate	\$12,000
Single	\$12,000
Head of household	\$18,000
Individual Claimed as Dependent ("Kiddie Tax")	\$1,050

Threshold for Pease Limitation on Itemized Deductions

Not applicable January 1, 2018 to December 31, 2025

Personal Exemption

Suspended from January 1, 2018 to December 31, 2025

Alternative Minimum Tax Exemption Amount

Married, separate	\$54,700
Married, joint	\$109,400
Single	\$70,300

Alternative Minimum Tax Phaseout Threshold

Married, separate	\$500,000
Married, joint	\$1,000,000
Single	\$500,000

Long-term Capital Gains and Qualified Dividend Rates

Single (taxable income thresholds)	
\$0-\$38,600	0%
\$38,601-\$425,800	15%
Over \$425,800	20%

Married, joint (taxable income thresholds)	
\$0-\$77,200	0%
\$77,201-\$479,000	15%
Over \$479,000	20%

Unrecaptured Section 1250 Gain	25%
Capital Gain on Collectibles	28%

*Additional 3.8% tax applies to lesser of (a) net investment income or (b) Modified adjusted gross income exceeding:

Single	\$200,000
Married, joint	\$250,000

IRA & Pension Plan Limits

IRA contribution	
Under age 50	\$5,500
Age 50 and over (includes \$1,000 catch-up contribution)	\$6,500

Phaseout for deducting IRA contribution	
Married, joint	\$101,000-\$121,000 AGI
Single, HOH ¹	\$63,000-\$73,000 AGI
Phaseout for deducting spousal IRA	
	\$189,000-\$199,000 AGI

Phaseout of Roth contribution eligibility	
Married, joint	\$189,000-\$199,000 MAGI
Single, HOH	\$120,000-\$135,000 MAGI
	Info derived from Notice 2017-177

SIMPLE elective deferral	
Under age 50	\$12,500
Age 50 and over (includes \$3,000 catch-up contribution)	\$15,500

401(k), 403(b) ² , 457 ³ and SARSEP elective deferral under age 50	\$18,500
401(k), 403(b), 457 and SARSEP elective deferral age 50 and over (includes \$6,000 catch-up contribution)	\$24,500

Annual defined contribution limit \$55,000

Annual defined benefit limit \$220,000

Gift and Estate Tax

Gift tax annual exclusion	\$15,000
Highest estate and gift tax rate	40%
Estate tax unified credit	\$11,200,000
Lifetime gift unified credit (The estate tax unified credit available at death is reduced dollar for dollar by lifetime gifts that were made during life that utilized the lifetime gift exemption.)	\$11,200,000
GST exemption	\$11,200,000
Annual exclusion for gifts to noncitizen spouse	\$152,000

Education

Coverdell Education Savings Account \$2,000 (This is the maximum that can be contributed to a CESA by all contributors for one beneficiary in 2018)

Student loan interest deduction limit	\$2,500
Interest deduction is phased out	
Married, joint	\$135,000-\$165,000 MAGI
All others	\$65,000-\$80,000 MAGI

Health Savings Accounts (HSAs)

Maximum Contribution	
Single	\$3,450
Family	\$6,900
Age 55 and over annual catch-up	\$1,000

Social Security

Maximum earnings (during work years) subject to FICA tax \$128,400

Social Security Tax 6.20%

Income⁴ (in retirement) causing Social Security benefits to be taxable

Married, joint	
50% taxable	\$32,000 MAGI
85% taxable	\$44,000 MAGI
Single	
50% taxable	\$25,000 MAGI
85% taxable	\$34,000 MAGI

Loss of Social Security retirement benefits:

In years prior to full retirement age, \$1 in benefits will be lost for every \$2 of earnings in excess of \$17,040. In the year of full retirement age, \$1 in benefits will be lost for every \$3 of earnings in excess of \$45,360 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

The loss of Social Security benefits only applies if you are taking social security benefits before full retirement age.

Medicare

Single	
\$0-\$200,000	1.45%
Income exceeding \$200,000	2.35%
Married, joint	
\$0-\$250,000	1.45%
Income exceeding \$250,000	2.35%

Filing Due Dates for 2017 Returns/Forms

Return Type	Original	Extended
Partnership	3/15	9/17*
S Corporation	3/15	9/17*
C Corporation	4/17*	10/15*
Trust	4/17*	10/1*
FinCEN 114	4/17*	10/15*
Individual	4/17*	10/15*
Gift Tax Return	4/17*	10/15*
W-2, 1099-MISC	1/31	N/A

*Represents a change from prior law

1. Head of Household
2. Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
3. In last 3 years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch-up on prior missed contributions, but if they do, they cannot use catch-up.
4. Income is most income including muni bond interest but only 1/2 of Social Security.

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