

Key Numbers 2017

Presented by James Butler CFP®, AIF®

Individual Income Tax	
Unmarried Individual (other than Surviving Spouse and Head of Household)	
If taxable income is:	The tax is:
\$9,325 or less	10% of taxable income
Over \$9,325 to \$37,950	\$932.50 + 15% of excess over \$9,325
Over \$37,950 to \$91,900	\$5,225.25 + 25% of excess over \$37,950
Over \$91,900 to \$191,650	\$18,713.75 + 28% of excess over \$91,900
Over \$191,650 to \$416,700	\$46,643.75 + 33% of excess over \$191,650
Over \$416,700 to \$418,400	\$120,910.25 + 35% of excess over \$416,700
Over \$418,400	\$121,505.25 + 39.6% of excess over \$418,400
Married Filing Jointly and Surviving Spouse	
If taxable income is:	The tax is:
\$18,650 or less	10% of taxable income
Over \$18,650 to \$75,900	\$1,865 + 15% of excess over \$18,650
Over \$75,900 to \$153,100	\$10,452.50 + 25% of excess over \$75,900
Over \$153,100 to \$233,350	\$29,752.50 + 28% of excess over \$153,100
Over \$233,350 to \$416,700	\$52,222.50 + 33% of excess over \$233,350
Over \$416,700 to \$470,700	\$112,728 + 35% of excess over \$416,700
Over \$470,700	\$131,628 + 39.6% of excess over \$470,700
Married Filing Separately	
If taxable income is:	The tax is:
\$9,325 or less	10% of taxable income
Over \$9,325 to \$37,950	\$932.50 + 15% of excess over \$9,325
Over \$37,950 to \$76,550	\$5,226.25 + 25% of excess over \$37,950
Over \$76,550 to \$116,675	\$14,876.25 + 28% of excess over \$76,550
Over \$116,675 to \$208,350	\$26,111.25 + 33% of excess over \$116,675
Over \$208,350 to \$235,350	\$56,364 + 35% of excess over \$208,350
Over \$235,350	\$68,814 + 39.6% of excess over \$235,350
Head of Household	
If taxable income is:	The tax is:
\$13,350 or less	10% of taxable income
Over \$13,350 to \$50,800	\$1,335 + 15% of excess over \$13,350
Over \$50,800 to \$131,200	\$6,952.50 + 25% of excess over \$50,800
Over \$131,200 to \$212,500	\$27,052.50 + 28% of excess over \$131,200
Over \$212,500 to \$416,700	\$49,816.50 + 33% of excess over \$212,500
Over \$416,700 to \$444,500	\$117,202.50 + 35% of excess over \$416,701
Over \$444,500	\$126,950 + 39.6% of excess over \$444,550

Trusts and Estates	
If taxable income is:	The tax is:
\$2,550 or less	15% of taxable income
Over \$2,550 to \$6,000	\$382.50 + 25% of excess over \$2,550
Over \$6,000 to \$9,150	\$1,245 + 28% of excess over \$6,000
Over \$9,150 to \$12,500	\$2,127 + 33% of excess over \$9,150
Over \$12,500	\$3,232.50 + 39.6% of excess over \$12,500

Standard Deductions			
Married Filing Jointly and Surviving Spouse	\$12,700	Married Filing Separately	\$6,350
Single	\$6,350	Head of Household	\$9,350
Married 65 or Older or Blind	\$1,250 additional	Single 65 or Older or Blind	\$1,550 additional
Dependent	Greater of \$1,050 or \$350 + earned income		

Kiddie Tax
Applies to unearned income over \$2,100 for children under 18 (and full-time students between ages 19 and 24 whose earned income does not exceed half of their support for the year). The first \$1,050 is tax-free, and the next \$1,050 is taxed at the child's rate.

Itemized Deduction (Pease) Limitation			
Married Filing Jointly and Surviving Spouse	\$313,800	Married Filing Separately	\$156,900
Single	\$261,500	Head of Household	\$287,650

Personal Exemption			
\$4,050			
Phaseout	Beginning (AGI)	Completed (AGI)	
Married Filing Jointly and Surviving Spouse	\$313,800	\$436,300	
Married Filing Separately	\$156,900	\$218,150	
Single	\$261,500	\$384,000	
Head of Household	\$287,650	\$410,150	

AMT			
	Exemption	Phaseout	Start of 28% Tax Bracket
Married Filing Jointly and Surviving Spouses	\$84,500	\$160,900	\$187,800
Married Filing Separately	\$42,250	\$80,450	\$93,900
Single	\$54,300	\$120,700	\$187,800
Head of Household	\$54,300	\$120,700	\$187,800
Estates and Trusts	\$24,100	\$80,450	\$187,800

Long-Term Capital Gains and Qualified Dividend Tax			
Gain or dividend in the 39.6% tax bracket		20%*	
Gain or dividend between the 15% and 39.6% tax brackets		15%*	
Gain or dividend in the 15% or lower tax brackets		0%	
*Additional 3.8% unearned income Medicare contribution tax applies to the lesser of net investment income or MAGI above the following thresholds:			
Married Filing Jointly	\$250,000	Married Filing Separately	\$125,000
Single	\$200,000	Head of Household	\$200,000

Health Insurance Coverage Penalty	
Penalty for not maintaining minimum essential health coverage	\$695

Health Savings Accounts (HSA) Maximum Contribution Limits	
Self-Only Coverage	If under age 55: \$3,400; if age 55–65: \$4,400
Family Coverage	If under age 55: \$6,750; if age 55–65: \$7,750

Retirement Plan Limits	
401(k), SAR-SEP, Sec. 457(b), 403(b) Elective Deferral Limit	\$18,000
Age 50+ Catch-Up for 401(k), SAR-SEP, 457(b), 403(b)	\$6,000
SIMPLE Elective Deferral Limit	\$12,500
Age 50+ Catch-Up for SIMPLE IRA	\$3,000
Traditional and Roth IRA Contributions	\$5,500
Age 50+ Catch-Up for IRA and Roth IRA	\$1,000
Section 415 Limit (Defined Contribution Plan)	\$54,000
Defined Benefit Plan Benefit Limit	\$215,000
Annual Compensation Limit for QRP, SEP, and 403(b)	\$270,000
Highly Compensated Definition	\$120,000
Control Employee	\$105,000
Key Employee in Top-Heavy Plan Definition	\$175,000

IRA Deduction Phaseout for Active Participants		
Filing Status	Starting At	Fully Phased Out At
Single or Head of Household	\$62,000	\$72,000
Married Filing Jointly or Qualifying Widow(er)	\$99,000	\$119,000
Married Filing Jointly and Spouse Is Active Participant in an Employer Plan	\$186,000	\$196,000
Married Filing Separately and Either Spouse Is Active Participant in an Employer Plan	\$0	\$10,000

Roth Contribution Income Limits		
Filing Status	Starting At	Fully Phased Out At
Single	\$118,000	\$133,000
Married Filing Jointly	\$186,000	\$196,000
Married Filing Separately	\$0	\$10,000

Business Health Insurance	
Health Insurance Premium Deduction for Self-Employed	100%
Limit on Employee Health Insurance Credit for Small Employers	\$26,200

Education Planning	
U.S. Savings Bond Income Exclusion Phaseout	Modified AGI \$117,250 to \$147,250 (joint) Modified AGI \$78,150 to \$93,150 (others)
Coverdell Education Savings Account (Education IRAs) Annual Contribution Limit	\$2,000
Coverdell Education Savings Account Phaseout	Modified AGI \$190,000 to \$220,000 (joint) Modified AGI \$95,000 to \$110,000 (others)
\$2,500 American Opportunity Tax (HOPE) Credit Phaseout	Modified AGI \$160,000 to \$180,000 (joint) Modified AGI \$80,000 to \$90,000 (others)
\$2,000 Lifetime Learning Credit Phaseout	Modified AGI \$112,000 to \$132,000 (joint) Modified AGI \$56,000 to \$66,000 (others)
Phaseout of \$2,500 Interest Deduction on Education Loans	Modified AGI \$135,000 to \$165,000 (joint) Modified AGI \$65,000 to \$80,000 (others)
2016–2017 Tuition and Fees Increase at 4-Year College	Public College: 2.4% in-state student; 3.6% out-of-state student Private College: 3.6%
2016–2017 Room and Board Increase at 4-Year College	Public College: 2.9% in-state student; 2.9% out-of-state student Private College: 3%
2016–2017 Total Average Yearly Cost at 4-Year College	\$20,090 public in-state; \$35,370 public out-of-state; \$45,370 private

Federal Estate and Gift Tax	
Annual Gift Tax Exclusion per Donee	\$14,000
Annual Gift Exclusion to Non-U.S.-Citizen Spouse	\$149,000
Estate Tax Exemption	\$5,490,000
Lifetime Gift Tax Exemption	\$5,490,000
Generation-Skipping Transfer Tax Exemption	\$5,490,000
Special Use (Section 2032A) Valuation Reduction	\$1,120,000

Long-Term Care Premium Deductions	
Qualified LTC Insurance Deductions: Subject to 10% of AGI medical expense floor	
Age	Limit
40 or under	\$410
41–50	\$770
51–60	\$1,530
61–70	\$4,090
71 and over	\$5,110

Please note: Indemnity policy benefit payments that exceed the higher of the cost of long-term care or \$360 per day will be taxed as income.

Medicaid	
Community Spouse Resource Allowance	\$24,180 minimum; \$120,900 maximum
Monthly Maintenance Allowance	\$2,002.50 minimum; \$3,022.50 maximum
Home Equity Limit	\$552,000 (State can opt to increase to \$828,000.)
"Income Cap" State Income Limit	\$2,205

Social Security	
CPI Increase in Benefits	0.3%
Maximum Monthly Benefit at Full Retirement	\$2,687/month
Retirement Earnings Exempt Amount Under FRA	\$16,920; \$1 withheld for every \$2 earned above this amount
Retirement Earnings Exempt Amount Year of FRA	\$44,880; \$1 withheld for every \$3 earned above this amount

Medicare			
		Individual Filer	Married Filing Jointly
Medicare Part A Monthly Premium	\$413 for fewer than 30 quarters of coverage \$226 for between 30 and 39 quarters of coverage		
Medicare Part A Deductible and Coinsurance	\$1,316 for 1–60 days An additional \$329 for 61–90 days \$658 for 91–150 days All costs > 150 days		
Medicare Part A Deductible for Skilled Nursing Facility in a Benefit Period	\$164.50 per day (21–100 days)		
Medicare Part B Deductible	\$183		
Medicare Part B Monthly Premium *Some Medicare beneficiaries may be less if certain conditions are met.	\$134.00* \$187.50 \$267.90 \$348.30 \$428.60	\$85,000 or less \$85,001–\$107,000 \$107,001–\$160,000 \$160,001–\$214,000 Above \$214,000	\$170,000 or less \$170,001–\$214,000 \$214,001–\$320,000 \$320,001–\$428,000 Above \$428,000
Medicare Part D Deductible	No more than \$400		
Medicare Part D Monthly Premium Surcharge	(no surcharge) \$13.30 \$34.20 \$55.20 \$76.20	\$85,000 or less \$85,001–\$107,000 \$107,001–\$160,000 \$160,001–\$214,000 Above \$214,000	\$170,000 or less \$170,001–\$214,000 \$214,001–\$320,000 \$320,001–\$428,000 Above \$428,000

Payroll Taxes		
	Employee	Self-Employed
Social Security Tax	6.2%	12.4%
Social Security Wage Base	\$127,200	
Medicare Tax	1.45%	2.9%
Additional Medicare Tax	0.9% on earnings above the following thresholds:	
Single or Head of Household	\$200,000	
Married Filing Jointly	\$250,000	
Married Filing Separately	\$125,000	

This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.

###

For IARs: James Butler is a financial advisor located at 557 W Uwchlan Ave, Suite 240. He offers securities and advisory services as an Investment Adviser Representative of Commonwealth Financial Network,[®] Member FINRA/SIPC, a Registered Investment Adviser. He can be reached at 610-458-5790 or at jim@viderewealth.com.

© 2017 Commonwealth Financial Network[®]