

Tax Facts and Figures



Social Security Highlights

Employee's portion of FICA	2017	2016	2015
Maximum earnings subject to Social Security tax (Medicare no limit)	\$127,200	\$118,500	\$118,500
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$7,886.40	\$7,347.00	\$7,347.00

* Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.

2017 Tax Rates: Capital Gain and Dividend Income

If income is...	Maximum %	If asset is held...
Gain from the sale of collectibles	28%	More than 1 year
Taxable portion of gain on qualified small business stock (section 1202 exclusion)	28%	More than 5 years
Unrecaptured section 1250 gain	25%	More than 1 year
Long-term capital gain for taxpayers subject to the top tax rate of 39.6%	20%	More than 1 year
Long-term capital gain for taxpayers subject to a regular tax rate of 25% or higher, up to the rate below the top rate	15%	More than 1 year
Long-term capital gain for taxpayers subject to a regular tax rate of 10% or 15%	0%	More than 1 year
Qualified dividend income for taxpayers subject to the top tax rate of 39.6%	20%	More than 1 year
Qualified dividend income for taxpayers subject to a regular tax rate of 25% or higher, up to the rate below the top rate	15%	More than 60 days
Qualified dividend income for taxpayers subject to a regular tax rate of 10% or 15%	0%	More than 60 days
Ordinary dividend income	39.6%	60 days or less
Short-term capital gain	39.6%	1 year or less

Note: Add 3.8% to the above rates for the net investment income tax for income above \$250,000 MFJ, \$125,000 MFS, and \$200,000 all other filing statuses.

Other Taxes

0.9% Additional Medicare Tax on Wages Income Threshold Amounts

Filing Status	S, HOH, QW	MFJ	MFS
Threshold Amount	\$200,000	\$250,000	\$125,000

3.8% Net Investment Income Tax Threshold Amounts (NIIT)

Filing Status	S, HOH	MFJ, QW	MFS
Threshold Amount	\$200,000	\$250,000	\$125,000

Business Expenses

2017 Standard Mileage Rate Per Mile	
Business	53.5¢
Medical and moving	17.0¢
Charitable	14.0¢
Depreciation	25.0¢

Section 179 Expense Limits

Regular 179 limits	\$510,000
SUV limits	\$25,000
Investment phaseout begins	\$2,030,000

2017 Standard Deduction for Meals—High Low Method (Per Day)

High cost localities	\$68
All other localities	\$57
Transportation workers	\$63

Qualified Transportation Benefits

Commuter benefits (per month)	\$255
Parking benefits (per month)	\$255

2017 Retirement Plan Limits

401(k)/403(b) Deferral Limits

Under age 50	\$18,000
Age 50 and over	\$24,000

IRA Contribution Limits

Under age 50	\$5,500
Age 50 and over	\$6,500

IRA Deduction Phaseout Range for Active Participation in Employer Plan

MFJ	99,000–119,000
Single, HOH	62,000–72,000
MFS	0–10,000
Spouse not active participant	186,000–196,000

Roth IRA Phaseout Range

MFJ	186,000–196,000
Single, HOH	118,000–133,000
MFS	0–10,000

SIMPLE Deferral Limits

Under age 50	\$12,500
Age 50 and over	\$15,500

Qualified Retirement Plans

Profit sharing/SEP limits	25%/\$54,000
Defined benefit plan limits	\$215,000
Compensation limits	\$270,000

Education Tax Benefits Phaseouts

American Opportunity Credit/ Hope Credit

MFJ phaseout range	160,000–180,000
Single and HOH phaseout	80,000–90,000
Hope credit 100% of the first	\$2,000
A.O. credit 25% of the next	\$2,000

Lifetime Learning Credit

MFJ phaseout range	112,000–132,000
Single and HOH phaseout	56,000–66,000
Lifetime learning credit 20% of first	\$10,000

Student Loan Interest Deduction Phaseout Range

MFJ	135,000–165,000
Single and HOH	65,000–80,000
Maximum deduction is	\$2,500

U.S. Savings Bonds Exemption Phaseout Range

MFJ	117,250–147,250
Single and HOH	78,150–93,150

Education Savings Accounts Phaseout Range

MFJ	190,000–220,000
All others	95,000–110,000

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 70½.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.

This brochure contains general information for taxpayers and should not be relied upon as the only source of authority. Taxpayers should seek professional tax advice for more information.