#### **Business Expenses**

2023 Standard Mileage R	ate
Per Mile	
Business 6	5.50

Business	65.50
Medical and moving*	22.0¢
Charitable	14.0¢
Depreciation	28.0¢

# **Section 179 Expense Limits**Regular 179 limits .. \$1,160,000

#### 2023 Standard Deduction for Meals—High Low Method (Per Day)

High cost localities	\$ /4
All other localities	\$ 64
Fransportation workers	\$ 69

#### Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)

Commuter benefits	
(per month)	\$300
Parking benefits	
(per month)	\$300

<sup>\*</sup>The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

#### **2023 Retirement Plan Limits**

401(k)/403(b) Deferra	al Limits
Under age 50	\$22,500
Age 50 and over	\$30,000
IRA Contribution Lin	nits
Under age 50	\$6,500
Age 50 and over	\$7,500
IDA D. I. d. DI	

#### IRA Deduction Phaseout Range if Covered by Employer Plan

WHJ	\$116,000 – \$136,00
Spouse	not covered
	\$218,000-\$228,00
O: I	

Single,	
H0H	\$73,000 – \$83,000
MFS	\$0-\$10,000

### Roth IRA Phaseout Range

IVII J \$210,0	JUU — \$ 220,000
Single,	
HOH \$138,0	000-\$153,000
MFS	\$0-\$10,000

#### **SIMPLE Deferral Limits**

Under age !	50	\$ 15,500
Age 50 and	over	\$ 19,000

#### **Qualified Retirement Plans**

Profit sharing/SEP	
limits2!	5%/\$66,000
Defined benefit	
plan limits	\$265,000
Compensation limits	\$330,000

# 2023 Qualified Business Income Deduction Thresholds

MFJ: \$364,200	MFS: \$182,100	Single, HOH, QSS: \$182,100

#### **Education Tax Benefits**

# American Opportunity Credit MFJ phaseout ....\$160,000-\$180,000 Single, HOH

phaseout............\$80,000-\$90,000 Maximum credit: \$2,500 per student Up to 40% (\$1,000) may be refundable

#### **Lifetime Learning Credit**

MFJ phaseout .... \$160,000-\$180,000 Single, HOH phaseout .............. \$80,000-\$90,000 Maximum credit: \$2,000 per return

#### Education Savings Account (ESA)

MFJ phaseout ...\$190,000-\$220,000 All others ...... \$95,000-\$110,000 Annual contribution limit: \$2,000 per beneficiary

#### Student Loan Interest Deduction

MFJ phaseout
.....\$155,000-\$185,000
Single, HOH phaseout

\$2,500 per return

......\$75,000-\$90,000 Maximum deduction:

## U.S. Savings Bonds Interest Exclusion

MFJ phaseout ......\$137,800-\$167,800

Single, HOH phaseout ......\$91,850-\$106,850

#### Qualified Tuition Plans

- Distributions for qualifying expenses for college students or apprentices are not taxable.
- Plans Distributions up to \$10,000 per student are allowed for tuition expenses for a public, private, or religious elementary or secondary school.
  - Cumulative distributions up to \$10,000 per beneficiary and sibling for qualified education debt.

#### **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 73.
- · 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.

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# Tax Facts and Figures





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# Tax Facts and Figures

#### 2023 Federal Tax Rate Schedules

Single Taxable Income										
\$	0	to	11,000	×	10.0%	minus	\$	0.00	=	Tax
	11,001	to	44,725	×	12.0%	minus		220.00	=	Tax
	44,726	to	95,375	×	22.0%	minus	4	1,692.50	=	Tax
	95,376	to	182,100	×	24.0%	minus	6	6,600.00	=	Tax
	182,101	to	231,250	×	32.0%	minus	21	,168.00	=	Tax
	231,251	to	578,125	×	35.0%	minus	28	3,105.50	=	Tax
	578,126	an	d over	×	37.0%	minus	39	9,668.00	=	Tax
M	IFJ or QS	S T	axable In	100	ne					
\$	0	to	22,000	×	10.0%	minus	\$	0.00	=	Tax
	22,001	to	89,450	×	12.0%	minus		440.00	=	Tax
	89,451	to	190,750	×	22.0%	minus	ç	3,385.00	=	Tax
	190,751	to	364,200	×	24.0%	minus	13	3,200.00	=	Tax
	364,201	to	462,500	×	32.0%	minus	42	2,336.00	=	Tax
	462,501	to	693,750	×	35.0%	minus	56	3,211.00	=	Tax
	693,751			×	37.0%	minus	70	0,086.00	=	Tax
M	FS Taxal	ble	Income							
\$	0	to	11,000	×	10.0%	minus	\$	0.00	=	Tax
	11,001	to	44,725	×	12.0%	minus		220.00	=	Tax
	44,726	to	95,375	×	22.0%	minus	4	,692.50	=	Tax
	95,376	to	182,100	×	24.0%	minus	6	6,600.00	=	Tax
	182,101	to	231,250	×	32.0%	minus	21	,168.00	=	Tax
	231,251	to	346,875	×	35.0%	minus	28	3,105.50	=	Tax
	346,876	an	d over	×	37.0%	minus	35	,043.00	=	Tax
Н	OH Taxal	ble	Income							
\$	0	to	15,700	×	10.0%	minus	\$	0.00	=	Tax
	15,701	to	59,850	×	12.0%	minus		314.00	=	Tax
	59,851	to	95,350	×	22.0%	minus	6	,299.00	=	Tax
	95,351	to	182,100	×	24.0%	minus	8	3,206.00	=	Tax
	182,101	to	231,250	×	32.0%	minus	22	2,774.00	=	Tax
	231,251	to	578,100	×	35.0%	minus	29	,711.50	=	Tax
	578,101	an	d over	×	37.0%	minus	41	,273.50	=	Tax

#### **Additional Medicare Tax**

#### 0.9% additional tax on wage income above threshold

Filing status	Single, HOH, QSS	MFJ	MFS
Threshold amount	\$200,000	\$250,000	\$125,000

#### **2023 Qualifying Relative Limit**

#### **2023 Standard Deduction**

The basic standard deduction for 2023 is:	
Single or MFS	\$13,850
MFJ or QSS	\$27,700
HOH	\$20,800
	•

**Age 65 and/or blind.** The additional amounts for age 65 or older and/or blind, per person, per event in 2023 are:

MFJ, QSS, or MFS ......\$1,500 Single or HOH .....\$1,850

**Dependent.** The standard deduction in 2023 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,250, or earned income plus \$400.

# **Child Tax Credit and Credit for Other Dependents**

Child Tax Credit	\$2,000 per qualifying child.	
\$2,000 Child Tax Credit phaseout begins	MFJ\$400,000 Single, HOH, MFS\$200,000	
Credit for Other Dependents	\$500 per dependent (not a qualifying child).	

#### **Social Security Highlights**

Employee's portion of FICA	2023	2022	2021
Maximum earnings subject to Social Security tax (Medicare no limit)	\$160,200	\$147,000	\$142,800
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$9,932.40	\$9,114.00	\$8,853.60

<sup>\*</sup>Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.

# 2023 Tax Rates: Capital Gain and Dividend Income

If income is	Maximum tax rate %	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	See below	More than 1 year
Qualified dividend income	See below	More than 60 days
Taxable Income         Single       \$0 to \$44,625         MFJ/QSS       \$0 to \$89,250         MFS       \$0 to \$44,625         HOH       \$0 to \$59,750         Estates and       Trusts       \$0 to \$3,000	0%	
Taxable Income Single \$44,626 to \$492,300 MFJ/QSS \$89,251 to \$553,850 MFS \$44,626 to \$276,900 HOH \$59,751 to \$523,050 Estates and Trusts \$3,001 to \$14,650	15%	
Taxable Income Single \$492,301 and over MFJ/QSS \$553,851 and over MFS \$276,901 and over HOH \$523,051 and over Estates and Trusts \$14,651 and over	20%	
Short-term capital gain	37%	1 year or less
Ordinary dividend income	37%	60 days or less

#### **Net Investment Income Tax (NIIT)**

## 3.8% additional tax on investment income if MAGI above threshold amount

Filing status	Single, HOH	MFJ, QSS	MFS
Threshold amount	\$200,000	\$250,000	\$125,000