

TAX REFERENCE GUIDE

2018



BOGART
WEALTH

Tax Brackets for 2018

Taxable income (i.e., income minus deductions and exemptions) between:

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%
Capital gains/qualified dividends	
\$0–\$77,199	0%
\$77,200–\$478,999	15%
\$479,000 and over	20%

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%
Capital gains/qualified dividends	
\$0–\$38,599	0%
\$38,600–\$425,799	15%
\$425,800 and over	20%

Married, Separate

\$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–\$300,000	35%
over \$300,000	37%
Capital gains/qualified dividends	
\$0–\$38,599	0%
\$38,600–\$239,499	15%
\$239,500 and over	20%

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%
Capital gains/qualified dividends	
\$0–\$51,699	0%
\$51,700–\$452,399	15%
\$452,400 and over	20%

Estates and Trusts

\$0–\$2,550	10%
\$2,551–\$9,150	24%
\$9,151–\$12,500	35%
over \$12,500	37%
Capital gains/qualified dividends	
\$0–\$2,599	0%
\$2,600–\$12,699	15%
\$12,700 and over	20%

Corporate Tax Rate

21%

Standard Deduction

Married, joint	\$24,000
Single	\$12,000
Head of household	\$18,000
Blind or over 65: add \$1,300 if married	
\$1,600 if single or head of household	

Child/Dependent Tax Credit

Child	\$2,000 per child
	up to \$1,400 refundable
Qualifying Dependent	\$500
	per dependent, nonrefundable

Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000 for 1st and 2nd homes
No deduction for home equity indebtedness

State and Local Tax Deduction Limit

State and local income and property tax deduction \$10,000

Alternative Minimum Tax Exemption Amount

Married, joint	\$109,400
Single, HOH ¹	\$70,300
Married, separate	\$54,700

IRA and Pension Plan Limits

IRA contribution

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

Phaseout for deducting IRA contribution

Married, joint	\$101,000–\$121,000 AGI
Single, HOH ¹	\$63,000–\$73,000 AGI
Married, separate	\$0–\$10,000 AGI

Phaseout for deducting spousal IRA²

\$189,000 – \$199,000 AGI

Phaseout of Roth contribution eligibility

Married, joint	\$189,000 – \$199,000 MAGI
Single, HOH ¹	\$120,000 – \$135,000 MAGI
Married, separate	\$0 – \$10,000 MAGI

SEP contribution

Up to 25% of compensation, limit \$55,000

Compensation to participate in SEP

\$600

SIMPLE elective deferral

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

401(k), 403(b)³, 457⁴ and SARSEP

elective deferral under age 50 \$18,500

401(k), 403(b)³, 457⁴ and SARSEP

elective deferral age 50 and over \$24,500

Annual defined contribution limit

\$55,000

Annual defined benefit limit

\$220,000

Highly compensated employee

\$120,000

Key Employee in top-heavy plan

\$175,000

Annual compensation taken

into account for qualified plans \$275,000

Retirement Tax Credit

A percentage tax credit for an IRA, 401(k), 403(b)³ or 457⁴ plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$63,000 MAGI
Head of Household	Below \$47,250 MAGI
Single; Married, separate	Below \$31,500 MAGI

Maximum qualified longevity annuity contract (QLAC) premium \$130,000

Gift and Estate Tax

Gift tax annual exclusion	\$15,000
Estate and gift tax rate	40%
Estate tax exemption	\$11,200,000 ⁵
Lifetime gift exemption	\$11,200,000 ⁵
GST exemption	\$11,200,000 ⁵
Annual exclusion for gifts to noncitizen spouse	\$152,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income ⁶	0.9%
Additional tax on Net Investment Income ⁷	3.8%

Health Care

Eligible Long-Term Care	Deduction Limit
Age 40 or less	\$420
Age 41 to 50	\$780
Age 51 to 60	\$1,560
Age 61 to 70	\$4,160
Ages over 70	\$5,200

Per Diem Limitation for LTC Benefits \$360

Affordable Care Act: Monthly penalty for failure to maintain minimum essential coverage:

One-twelfth of greater of a) flat dollar amount or b) percentage of income. \$695 2.5%

Education

Coverdell Education Savings Account	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000 – \$220,000
All others	\$95,000 – \$110,000

Student loan interest deduction limit	\$2,500
Interest deduction phaseout	
Married, joint	\$135,000 – \$165,000 MAGI
All others	\$65,000 – \$80,000 MAGI

Phaseout of Lifetime Learning Credits

Married, joint	\$114,000 – \$134,000
All others	\$57,000 – \$67,000

Tax-free savings bonds interest phaseout

Married, joint	\$119,550 – \$149,550 MAGI
All others	\$79,700 – \$94,700 MAGI

- Head of Household
- Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- In last three 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.
- Estimated (dependent upon new indexing rules)
- Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%
- Including interest, dividends, capital gains and annuity distributions

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Social Security⁸

Maximum wage base	\$128,400
Amount needed to earn one credit	\$1,320
Amount needed to earn four credits	\$5,280
Full retirement age	66 years, 0 months
Social Security Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum monthly retirement	
Benefit at full retirement age	\$2,788
Cost of Living Adjustment	2.0%

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

Income⁹ (in retirement) causing Social Security benefits to be taxable

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

Average monthly benefit (December 2016)¹⁰

Average monthly retirement benefit	
Men	\$1,519
Women	\$1,202
Average monthly survivor benefit	
Men	\$1,143
Women	\$1,306

8. Source: Social Security Administration, www.ssa.gov, 12/21/2017
9. Provisional income is most income, including muni bond interest and 50% of Social Security benefit.
10. Source: Fast Facts and Figures about Social Security, 2017.

Information is current as of 12/21/2017, subject to legislative changes and not intended to be legal or tax advice. Consult a tax advisor regarding specific circumstances.

Uniform Lifetime Table

Use to calculate Required Minimum Distributions from IRAs and qualified plans **during** owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Table from IRS Pub. 590.

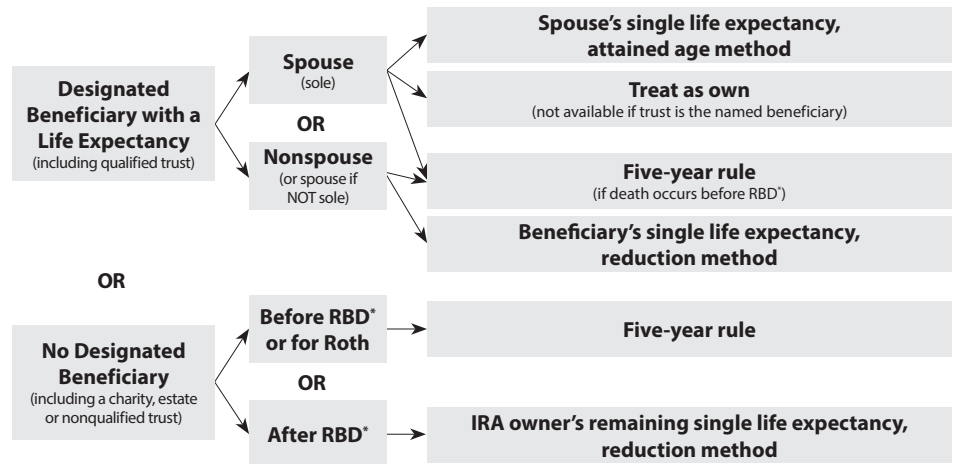
Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115+	1.9

Single Life Table

Use to calculate Minimum Required Distributions from IRAs and qualified plans **after** owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

Age	Multiple	Age	Multiple
39	44.6	64	21.8
40	43.6	65	21.0
41	42.7	66	20.2
42	41.7	67	19.4
43	40.7	68	18.6
44	39.8	69	17.8
45	38.8	70	17.0
46	37.9	71	16.3
47	37.0	72	15.5
48	36.0	73	14.8
49	35.1	74	14.1
50	34.2	75	13.4
51	33.3	76	12.7
52	32.3	77	12.1
53	31.4	78	11.4
54	30.5	79	10.8
55	29.6	80	10.2
56	28.7	81	9.7
57	27.9	82	9.1
58	27.0	83	8.6
59	26.1	84	8.1
60	25.2	85	7.6
61	24.4	86	7.1
62	23.5	87	6.7
63	22.7	88	6.3

IRA Beneficiary Options



*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or SIMPLE IRA holder reached age 70½).