

## INDIVIDUAL INCOME TAX RATES<sup>1</sup>

### Single

| If taxable income is ... | ... tax is ...        | ... of amount over |
|--------------------------|-----------------------|--------------------|
| \$ 0 – \$ 9,325          | 10%                   | \$ 0               |
| \$ 9,326 – \$ 37,950     | \$ 932.50 + 15%       | \$ 9,325           |
| \$ 37,951 – \$ 91,900    | \$ 5,226.25 + 25%     | \$ 37,950          |
| \$ 91,901 – \$ 191,650   | \$ 18,713.75 + 28%    | \$ 91,900          |
| \$ 191,651 – \$ 416,700  | \$ 46,643.75 + 33%    | \$ 191,650         |
| \$ 416,701 – \$ 418,400  | \$ 120,910.25 + 35%   | \$ 416,700         |
| Over \$ 418,400          | \$ 121,505.25 + 39.6% | \$ 418,400         |

### Head of household

| If taxable income is ... | ... tax is ...        | ... of amount over |
|--------------------------|-----------------------|--------------------|
| \$ 0 – \$ 13,350         | 10%                   | \$ 0               |
| \$ 13,351 – \$ 50,800    | \$ 1,335.00 + 15%     | \$ 13,350          |
| \$ 50,801 – \$ 131,200   | \$ 6,952.50 + 25%     | \$ 50,800          |
| \$ 131,201 – \$ 212,500  | \$ 27,052.50 + 28%    | \$ 131,200         |
| \$ 212,501 – \$ 416,700  | \$ 49,816.50 + 33%    | \$ 212,500         |
| \$ 416,701 – \$ 444,550  | \$ 117,202.50 + 35%   | \$ 416,700         |
| Over \$ 444,550          | \$ 126,950.00 + 39.6% | \$ 444,550         |

### Married filing jointly or surviving spouse

| If taxable income is ... | ... tax is ...        | ... of amount over |
|--------------------------|-----------------------|--------------------|
| \$ 0 – \$ 18,650         | 10%                   | \$ 0               |
| \$ 18,651 – \$ 75,900    | \$ 1,865.00 + 15%     | \$ 18,650          |
| \$ 75,901 – \$ 153,100   | \$ 10,452.50 + 25%    | \$ 75,900          |
| \$ 153,101 – \$ 233,350  | \$ 29,752.50 + 28%    | \$ 153,100         |
| \$ 233,351 – \$ 416,700  | \$ 52,222.50 + 33%    | \$ 233,350         |
| \$ 416,701 – \$ 470,700  | \$ 112,728.00 + 35%   | \$ 416,700         |
| Over \$ 470,700          | \$ 131,628.00 + 39.6% | \$ 470,700         |

### Married filing separately

| If taxable income is ... | ... tax is ...       | ... of amount over |
|--------------------------|----------------------|--------------------|
| \$ 0 – \$ 9,325          | 10%                  | \$ 0               |
| \$ 9,326 – \$ 37,950     | \$ 932.50 + 15%      | \$ 9,325           |
| \$ 37,951 – \$ 76,550    | \$ 5,226.25 + 25%    | \$ 37,950          |
| \$ 76,551 – \$ 116,675   | \$ 14,876.25 + 28%   | \$ 76,550          |
| \$ 116,676 – \$ 208,350  | \$ 26,111.25 + 33%   | \$ 116,675         |
| \$ 208,351 – \$ 235,350  | \$ 56,364.00 + 35%   | \$ 208,350         |
| Over \$ 235,350          | \$ 65,814.00 + 39.6% | \$ 235,350         |

<sup>1</sup> These rates generally apply to earned income, business income, interest and nonqualified dividends. Long-term capital gains rates apply to qualified dividends.

## STANDARD DEDUCTIONS

| Filing status                              | Deduction |
|--|-----------|
| Single                                     | \$ 6,350  |
| Head of household                          | \$ 9,350  |
| Married filing jointly or surviving spouse | \$ 12,700 |
| Married filing separately                  | \$ 6,350  |

## CAPITAL GAINS TAX RATES

| Type of gain   | Maximum rate <sup>1</sup> |
|--|---------------------------|
| Short-term gain (assets held 12 months or less)  | 39.6%                     |
| Long-term gain (generally assets held more than 12 months)                                     | 15% or 20% <sup>2</sup>   |
| Long-term gain on collectibles   | 28%                       |
| Long-term gain attributable to certain depreciation recapture                                  | 25%                       |
| Gain on qualified small business stock held more than 5 years                                  | 14% <sup>3</sup>          |
| Long-term gain that would be taxed at 15% or less based on the taxpayer's ordinary-income rate | 0%                        |

<sup>1</sup> The 3.8% net investment income tax applies to net investment income to the extent that modified adjusted gross income (MAGI) exceeds \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

<sup>2</sup> The 20% rate applies only to those with taxable income exceeding \$418,400 (singles), \$444,550 (heads of households), \$470,700 (joint filers) or \$235,350 (separate filers).

<sup>3</sup> Effective rate based on 50% exclusion from a 28% rate. If stock was acquired after February 17, 2009, and before September 28, 2010, the rate is 7% (75% exclusion from a 28% rate). If stock was acquired on or after September 28, 2010, the rate is 0%.

## ALTERNATIVE MINIMUM TAX

### Single, head of household, married filing jointly or surviving spouse

| If taxable income is ... | ... tax is ...  | ... of amount over |
|--------------------------|-----------------|--------------------|
| \$ 0 – \$ 187,800        | 26%             | \$ 0               |
| Over \$ 187,800          | \$ 48,828 + 28% | \$ 187,800         |

### Married filing separately

| If taxable income is ... | ... tax is ...  | ... of amount over |
|--------------------------|-----------------|--------------------|
| \$ 0 – \$ 93,900         | 26%             | \$ 0               |
| Over \$ 93,900           | \$ 24,414 + 28% | \$ 93,900          |

### Exemptions

| Filing status               | Exemption amount |
|-----------------------------|------------------|
| Single or head of household | \$ 54,300        |
| Married filing jointly      | \$ 84,500        |
| Married filing separately   | \$ 42,250        |

### Exemption phaseouts based on AMT income

| Filing status               | Income range of phaseout |
|-----------------------------|--------------------------|
| Single or head of household | \$ 120,700 – \$ 337,900  |
| Married filing jointly      | \$ 160,900 – \$ 498,900  |
| Married filing separately   | \$ 80,450 – \$ 249,450   |

## STANDARD MILEAGE RATES

| Use of vehicle    | Deduction per mile |
|-------------------|--------------------|
| Business          | 53.5 cents         |
| Medical or moving | 17 cents           |
| Charitable        | 14 cents           |

## FICA RATES AND EXPANDED MEDICARE TAXES

The rate for the employee portion of Social Security tax is 6.2%, and the maximum earned income it applies to is \$127,200, while the Medicare rate is 1.45% and applies to all earned income.

Self-employed individuals pay both the employee and employer portions, but get a deduction for the employer portion.

Cash wages totaling \$2,000 or more to household employees are also subject to FICA taxes.

An additional 0.9% Medicare tax applies to FICA wages and self-employment income exceeding \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

## PERSONAL EXEMPTION AND ITEMIZED DEDUCTION LIMITS

Exemption amount: \$4,050

Personal exemptions and many itemized deductions are reduced if adjusted gross income (AGI) exceeds certain levels: \$261,500 (singles), \$287,650 (heads of households), \$313,800 (joint filers) and \$156,900 (separate filers).

## HEALTH SAVINGS ACCOUNTS

| Limit   | Individual | Family    |
|---|------------|-----------|
| Contribution  | \$ 3,400   | \$ 6,750  |
| Catch-up contribution                                 | \$ 1,000   | \$ 1,000  |
| Minimum high-deductible health plan (HDHP) deductible | \$ 1,300   | \$ 2,600  |
| Maximum HDHP out-of-pocket costs                      | \$ 6,550   | \$ 13,100 |

## COVERDELL ESAs

Contribution limit per beneficiary: \$2,000

### Phaseouts based on contributor's MAGI

| Filing status               | MAGI range of phaseout  |
|-----------------------------|-------------------------|
| Single or head of household | \$ 95,000 – \$ 110,000  |
| Married filing jointly      | \$ 190,000 – \$ 220,000 |

## RETIREMENT BENEFIT LIMITS

| Benefit   | Limit     |
|---|-----------|
| Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans          | \$ 18,000 |
| Contributions to defined contribution plans                                     | \$ 54,000 |
| Contributions to SIMPLEs  | \$ 12,500 |
| Contributions to IRAs   | \$ 5,500  |
| Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans | \$ 6,000  |
| Catch-up contributions to SIMPLEs   | \$ 3,000  |
| Catch-up contributions to IRAs  | \$ 1,000  |
| Compensation for benefit purposes for qualified plans and SEPs                  | \$270,000 |
| Highly compensated employee threshold   | \$120,000 |
| Annual benefit for defined benefit plans  | \$215,000 |

## LONG-TERM CARE INSURANCE

| Age          | Premium deduction limit |
|--------------|-------------------------|
| 40 and under | \$ 410                  |
| 41 to 50     | \$ 770                  |
| 51 to 60     | \$1,530                 |
| 61 to 70     | \$4,090                 |
| Over 70      | \$5,110                 |

## EARNINGS THRESHOLDS FOR PHASEOUT OF SOCIAL SECURITY BENEFITS

| Retirement age status            | Earnings limit    |
|----------------------------------|-------------------|
| Before Full Retirement Age (FRA) | \$16,920 per year |
| Pre-FRA in year you reach FRA    | \$3,740 per month |
| FRA and after                    | None              |

## ESTATE AND TRUST INCOME TAX RATES

| If taxable income is ... | ... tax is ...     | ... of amount over |
|--------------------------|--------------------|--------------------|
| \$ 0 – \$ 2,550          | 15%                | \$ 0               |
| \$2,551 – \$ 6,000       | \$ 382.50 + 25%    | \$ 2,550           |
| \$6,001 – \$ 9,150       | \$1,245.00 + 28%   | \$ 6,000           |
| \$9,151 – \$12,500       | \$2,127.00 + 33%   | \$ 9,150           |
| Over \$12,500            | \$3,232.50 + 39.6% | \$12,500           |

## GIFT AND ESTATE TAX EXEMPTIONS AND RATES

| Year | Exemption   | Top rate |
|------|-------------|----------|
| 2016 | \$5,450,000 | 40%      |
| 2017 | \$5,490,000 | 40%      |

A surviving spouse may be able to use the deceased spouse's unused estate tax exemption. The annual gift tax exclusion is \$14,000 per recipient (\$28,000 if spouses elect "split-gift" treatment).

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## CORPORATE INCOME TAX RATES

| If taxable income is ...    | ... tax is ...    | ... of amount over |
|-----------------------------|-------------------|--------------------|
| \$ 0 – \$ 50,000            | 15%               | \$ 0               |
| \$ 50,001 – \$ 75,000       | \$ 7,500 + 25%    | \$ 50,000          |
| \$ 75,001 – \$ 100,000      | \$ 13,750 + 34%   | \$ 75,000          |
| \$ 100,001 – \$ 335,000     | \$ 22,250 + 39%   | \$ 100,000         |
| \$ 335,001 – \$10,000,000   | \$ 113,900 + 34%  | \$ 335,000         |
| \$10,000,001 – \$15,000,000 | \$3,400,000 + 35% | \$10,000,000       |
| \$15,000,001 – \$18,333,333 | \$5,150,000 + 38% | \$15,000,000       |
| Over \$18,333,333           | \$ 0 + 35%        | \$ 0               |

Qualified personal service corporations are taxed at a flat 35% rate.

## SECTION 179 EXPENSING

|                    | 2016        | 2017        |
|--------------------|-------------|-------------|
| Expensing limit    | \$ 500,000  | \$ 510,000  |
| Phaseout threshold | \$2,010,000 | \$2,030,000 |

## BONUS DEPRECIATION

| 2016 | 2017 |
|------|------|
| 50%  | 50%  |

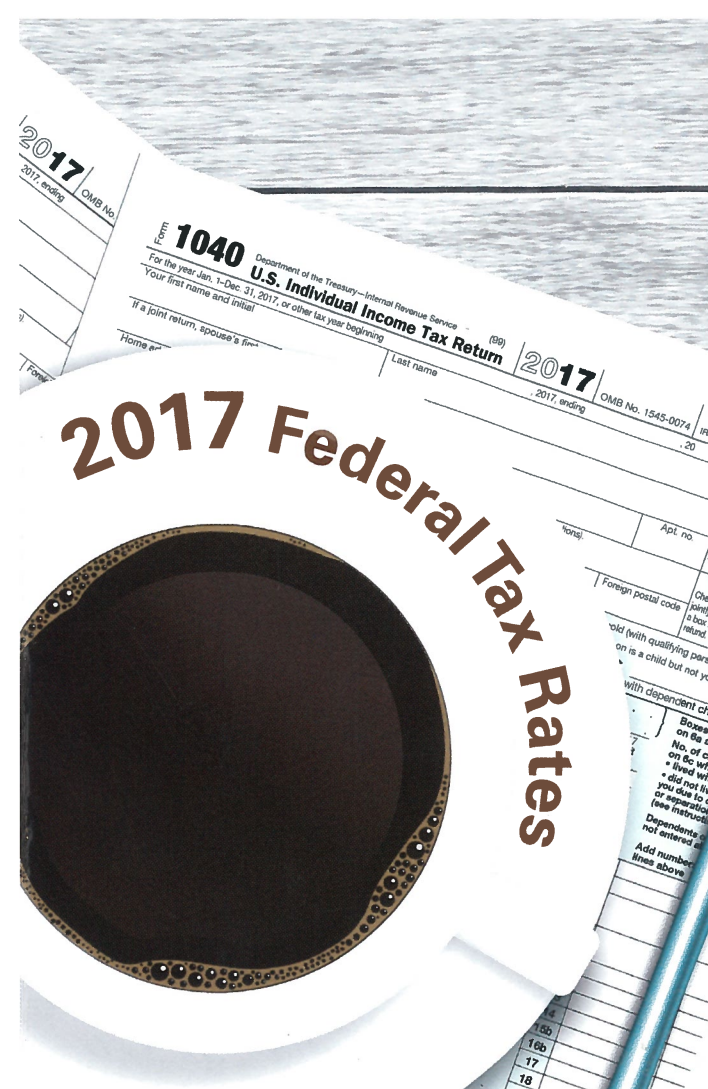
## DEPRECIATION CLASSES AND METHODS

| Class     | Method               | Examples                                  |
|-----------|----------------------|---|
| 36-month  | Straight-line        | Software                                  |
| 3-year    | 200% DB <sup>1</sup> | Dies, molds, small tools                  |
| 5-year    | 200% DB <sup>1</sup> | Vehicles, computers, office equipment     |
| 7-year    | 200% DB <sup>1</sup> | Manufacturing equipment, office furniture |
| 7-year    | 150% DB <sup>1</sup> | Farm equipment                            |
| 27.5-year | Straight-line        | Rental residential buildings              |
| 39-year   | Straight-line        | Nonresidential buildings                  |

<sup>1</sup> Declining-balance.

## MACRS DEPRECIATION RATES (with half-year convention)

| Year | 3-year | 5-year | 7-year |
|------|--------|--------|--------|
| 1    | 33.33% | 20.00% | 14.29% |
| 2    | 44.45% | 32.00% | 24.49% |
| 3    | 14.81% | 19.20% | 17.49% |
| 4    | 7.41%  | 11.52% | 12.49% |
| 5    | —      | 11.52% | 8.93%  |
| 6    | —      | 5.76%  | 8.92%  |
| 7    | —      | —      | 8.93%  |
| 8    | —      | —      | 4.46%  |



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