

Always there for you.

2023 Tax Reference Guide

Tax Brackets for 2023

Single	
\$0 – \$11,000	10%
\$11,001 – \$44,725	12%
\$44,726 – \$95,375	22%
\$95,376 – \$182,100	24%
\$182,101 – \$231,250	32%
\$231,251 – \$578,125	35%
over \$578,126	37%

Married, Filing Jointly	
\$0 – \$22,000	10%
\$22,001 – \$89,450	12%
\$89,451 – \$190,750	22%
\$190,751 – \$364,200	24%
\$364,201 – \$462,500	32%
\$462,501 – \$693,750	35%
over \$693,751	37%

Married, Filing Separately	
\$0 – \$11,000	10%
\$11,001 – \$44,725	12%
\$44,726 – \$95,375	22%
\$95,376 – \$182,100	24%
\$182,101 – \$231,250	32%
\$231,251 – \$346,875	35%
over \$346,876	37%

Head of Household	
\$0 – \$15,700	10%
\$15,701 – \$59,850	12%
\$59,851 – \$95,350	22%
\$95,351 – \$182,100	24%
\$182,101 – \$231,250	32%
\$231,251 – \$578,100	35%
over \$578,101	37%

Estates and Trusts	
\$0 – \$2,900	10%
\$2,901 – \$10,550	24%
\$10,551 – \$14,450	35%
over \$14,451	37%
Corporate Tax Rate	21%

Estate Tax

Transfer Tax rate	40%
Estate Tax Exemption	\$12.92m
Gift Tax Exemption	\$12.92m
Generation-skipping transfer Exemption	\$12.92m
Gift Tax Exclusion	\$17,000

Long-Term Capital Gains/Qualified Dividend Rates

0.0% Rate when Taxable Income is Below:

Married, Filing Jointly	\$89,250
Married, Filing Separately	\$44,625
Head of Household	\$59,750
Single	\$44,625
Estate and Trust	\$2,800

15% Rate when Taxable Income is Below:

Married, Filing Jointly	\$553,850
Married, Filing Separately	\$276,900
Head of Household	\$423,050
Single	\$492,300
Estate and Trust	\$13,700

20% rate applies to higher taxable income amounts.

Standard Deduction

Married, Filing Jointly	\$27,700
Single or Married, Filing Separately	\$13,850
Head of Household	\$20,800

Blind or over 65 add \$1,500 if married; add \$1,850 if single or head of Household. If both blind and over 65 the deduction amount is doubled.

Capital Loss Limit

Single or Married, Filing Jointly	\$3,000
Married, Filing Separately	\$1,500

If your capital loss exceeds your capital gains.

Retirement

IRA and Roth Contributions

Under age 50	\$6,500
Aged 50 and older	\$7,500

Phaseout for deducting IRA Contribution (qualified plan participant)

Married, Filing Jointly	\$116,000 – \$136,000 MAGI
Single or Head of Household	\$73,000 – \$83,000 MAGI
Married, Filing Separately	\$0 – \$10,000 MAGI
Spousal IRA	\$218,000 – \$228,000 MAGI

Phaseout of Roth contribution eligibility

Married, Filing Jointly	\$218,000 – \$228,000 MAGI
Single or Head of Household	\$138,000 – \$153,000 MAGI
Married, Filing Separately	\$0 – \$10,000 MAGI

Retirement (continued)

SEP Contribution

Up to 25% of compensation limit	\$66,000
To participate in SEP	\$750
Max Compensation used	\$330,000

SIMPLE Elective Deferral

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

Qualified Plan Contributions

401(k), 403(b), 457 and SARSEP	\$22,500
Aged 50 and older	\$30,000
Annual benefit limit on defined contribution plans	\$66,000
Annual benefit limit on defined benefit plans	\$265,000
Highly compensated employee makes	\$150,000
Annual compensation taken into account for qualified plans	\$330,000

Education

Kiddie Tax earned income is Taxed at single Tax bracket rates

529 Plan Contributions:

Per Individual	\$17,000 per yr. before a gift Tax
per Couple	\$32,000 per yr. before a gift Tax

529 Plan Contributions — Accelerate 5 Years of Gifting into 1 Year:

Per Individual	\$80,000
Per Couple	\$160,000

Lifetime Learning Credits – Phaseout

Married, Filing Jointly	\$160,000 – \$180,000
Single	\$80,000 – \$90,000

Coverdell Education Savings Account

Contribution	\$2,000
Phaseout – Married, Filing Jointly	\$190,000 – \$220,000
Phaseout – All Others	\$95,000 – \$110,000

Student Loan Interest

Deduction Limit	\$2,500
Phaseout – Married, Filing Jointly	\$155,000 – \$185,000 MAGI
Phaseout – All Others	\$75,000 – \$90,000 MAGI

Phaseout of Tax-free Savings Bonds Interest

Married, Filing Jointly	\$137,800 – \$167,800 MAGI
All Others	\$91,850 – \$106,850 MAGI

Noteworthy Changes: The Setting Every Community Up for Retirement Enhancement Act (SECURE Act)

The SECURE Act became law on December 20, 2019. This law included several important changes to the Qualified Plan and IRA landscape. Some of the changes are relatively small, while other changes may have a much larger impact on one's finances.

Inherited IRAs and Qualified Accounts:

Prior to the SECURE Act a person who inherited an IRA or other qualified account was able to "stretch" out required payments over their life expectancy. The SECURE Act changed those rules, and now, for non-eligible beneficiaries, Inherited IRAs must now be paid out over 10 years. There are notable exceptions to this new rule. These new inherited IRA rules do not apply for the following beneficiaries:

1. Spouse of the deceased
2. A beneficiary who has a disability or chronic illness
3. A beneficiary who is not more than 10 years younger than the deceased IRA owner
4. Minor Children: A minor child who inherits an IRA will take required minimum distributions based on the minor child's life expectancy until they reach the age of majority. At that point, the 10-year distribution period will begin.

These rules went into effect on January 1, 2020. If you inherited an IRA prior to January 1, 2020 and have

been taking required distributions based on your life expectancy, you may continue to do so.

Required Minimum Distribution (RMDs) Start Dates

The age for beginning RMDs was increased from age 72 to age 73 beginning January 1, 2023 under Secure Act 2.0.

Contributions to IRAs

The age restriction for IRA contributions was removed. Now, you can contribute to an IRA at any age (assuming you meet other requirements).

Penalty free Distributions Upon the Birth or Adoption of a Child

Allows an IRA owner or defined contribution plan participant to withdraw up to \$5,000 penalty free upon the birth or adoption of a child. This is effective for distributions beginning January 1, 2020.

Portability of Lifetime Income Investment

A plan participant may elect to take a distribution of a lifetime income investment (typically, an annuity within a qualified plan) prior to a distributable event if the investment will no longer be allowed under the plan. The distribution must either be made as a direct rollover to an IRA or other retirement plan or the annuity must be distributed.

Required Minimum Distributions

The Uniform Lifetime Table can be used by all IRA owners, at age 72 years, unless their sole beneficiary for the entire year is a spouse who is more than 10 years younger. Then the regular Joint Life Expectancy Table is used (see IRS Pub. 590), which could reduce the required minimum distribution even further.

Uniform Lifetime Table

Age of Account Owner	Divisor	Age of Account Owner	Divisor	Age of Account Owner	Divisor	Age of Account Owner	Divisor
72	27.4	78	22.0	84	16.8	90	12.2
73	26.5	79	21.1	85	16.0	91	11.5
74	25.5	80	20.2	86	15.2	92	10.8
75	24.6	81	19.4	87	14.4	93	10.1
76	23.7	82	18.5	88	13.7		
77	22.9	83	17.7	89	12.9		

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