

2023 tax facts & figures



Income tax brackets

MARRIED, FILING JOINTLY (MFJ)		SINGLE		MARRIED, FILING SEPARATELY (MFS)		HEAD OF HOUSEHOLD (HOH)	
\$0 - \$22,000	10%	\$0 - \$11,000	10%	\$0 - \$11,000	10%	\$0 - \$15,700	10%
\$22,001 - \$89,450	12%	\$11,001 - \$44,725	12%	\$11,001 - \$44,725	12%	\$15,701 - \$59,850	12%
\$89,451 - \$190,750	22%	\$44,726 - \$95,375	22%	\$44,726 - \$95,375	22%	\$59,851 - \$95,350	22%
\$190,751 - \$364,200	24%	\$95,376 - \$182,100	24%	\$95,376 - \$182,100	24%	\$95,351 - \$182,100	24%
\$364,201 - \$462,500	32%	\$182,101 - \$231,250	32%	\$182,101 - \$231,250	32%	\$182,101 - \$231,250	32%
\$462,501 - \$693,750	35%	\$231,251 - \$578,125	35%	\$231,251 - \$346,875	35%	\$231,251 - \$578,100	35%
Over \$693,750	37%	Over \$578,125	37%	Over \$346,875	37%	Over \$578,100	37%

Long-term capital gains/qualified dividend rates

	Standard deduction ¹	3.8% NIIT thresholds ²	Capital loss limit ⁴	Long-term capital gains/qualified dividend rates		
				0%	15%	20%
MFJ	\$27,700	\$250,000	\$3,000	\$0 - \$89,250	\$89,251 - \$553,850	Over \$553,850
SINGLE	\$13,850	\$200,000	\$3,000	\$0 - \$44,625	\$44,626 - \$492,300	Over \$492,300
MFS	\$13,850	\$125,000	\$1,500	\$0 - \$44,625	\$44,626 - \$276,900	Over \$276,900
HOH	\$20,800	\$200,000	\$3,000	\$0 - \$59,750	\$59,751 - \$523,050	Over \$523,050

Estate tax per person⁵

Transfer tax rate (maximum)	40.00%
Estate tax exemption	\$12,920,000
Gift tax exemption	\$12,920,000
Generation-skipping transfer exemption	\$12,920,000

Self-employment, kids & education

SELF-EMPLOYMENT TAXES			
Income	Social Security	Medicare	FICA-HI ⁶
Up to \$160,200	12.4%	2.90%	N/A
\$160,200 - \$200,000 single or \$250,000 MFJ	N/A	2.90%	N/A
Over \$200,000 single or \$250,000 MFJ	N/A	2.90%	0.90%

KIDDIE TAX	STUDENT LOAN INTEREST
Kiddie tax exemption	Deduction limit
\$2,500	\$2,500
SECURE Act change: The child's parent's marginal income tax rate (not taxable trust tax rate) applies to unearned income of a child over \$2,500.	Phaseout—single
	\$75,000 - \$90,000 MAGI ³
	Phaseout—MFJ
	\$155,000 - \$185,000 MAGI ³

529 PLANS		
	Per Individual	Per Couple
Contributions per year before gift tax	\$17,000	\$34,000
Accelerate 5 years of gifting into 1 year	\$85,000	\$170,000
Primary school distributions per year: up to \$10,000		
The named beneficiary on the 529 plan and each sibling can each withdraw up to \$10,000 to repay student loans (lifetime limit).		

¹ Blind, or age 65 or older: +\$1,500 (Married); +\$1,850 (Single or Head of Household)

² Net investment income tax

³ Modified adjusted gross income (MAGI)

⁴ If your capital loss exceeds your capital gains.

⁵ Rates are per person, unless filing jointly.

⁶ Federal Insurance Contributions Act-Hospital Insurance

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Retirement

IRA AND ROTH IRA CONTRIBUTIONS	PHASEOUT FOR DEDUCTING IRA CONTRIBUTION FOR QUALIFIED PLAN PARTICIPANTS	PHASEOUT OF ROTH CONTRIBUTION ELIGIBILITY	SEP CONTRIBUTION
Under age 50	\$6,500 MFJ	\$116,000 - \$136,000 MAGI ³	Up to 25% of compensation Limit \$66,000
Age 50 and over	\$7,500 Single or HOH	\$73,000 - \$83,000 MAGI ³	To participate in SEP \$750
SIMPLE elective deferral	Qualified plan contributions		
Under age 50	\$15,500 401(k), 403(b), 457, and SARSEP - Under age 50	\$22,500	Highly-compensated employee income level \$150,000 Limit on additions to defined contribution plan \$66,000
Age 50 and over	\$19,000 401(k), 403(b), 457, and SARSEP - Age 50 and over	\$30,000	Annual compensation taken into account for qualified plans \$330,000 Annual benefit limit on defined benefit plan \$265,000

Taxable trust tax rates

IF TAXABLE INCOME IS:	THE TAX IS:
Not over \$2,900	10% of the taxable income
Over \$2,900 but not over \$10,550	\$290 plus 24% of the excess over \$2,900
Over \$10,550 but not over \$14,450	\$2,126 plus 35% of the excess over \$10,550
Over \$14,450	\$3,491 plus 37% of the excess over \$14,450+ unearned income will qualify for an additional 3.8% NIIT

Pass-through entity taxes

An eligible individual taxpayer generally may deduct 20% of domestic qualified business income from a partnership, S corporation, or sole proprietorship. There are many qualifications and exemptions. Be sure to consult with a tax advisor.

Alternative minimum tax (AMT)

Exemptions - \$126,500 for married, \$81,300 for single and \$63,250 for married filing separately. Phase-out of exemption begins at \$1,156,300 for married taxpayers and \$578,150 for others.

For more information:

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Many trusts have to pay tax on the income generated from stocks, bonds, mutual funds, etc. that is not distributed to the beneficiaries. Their tax rates are much more progressive than those paid by individuals.

Source: IRS.gov

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