



2018 Federal Tax Reference Guide

Personal & Trust Income Tax

Income Tax Brackets

Rate	Single	Married Filing Jointly	Married Filing Separately	Head of Household	Trusts & Estates
10%	0 - \$9,525	0 - \$19,050	0 - \$9,525	0 - \$13,600	0 - \$2,550
12%	\$9,526 - \$38,700	\$19,501 - \$77,400	\$9,526 - \$38,700	\$13,601 - \$51,800	
21%	--	--	--	--	--
22%	\$38,701 - \$82,500	\$77,401 - \$165,000	\$38,700 - \$82,500	\$51,801 - \$82,500	
24%	\$82,501 to \$157,500	\$165,001 - \$315,000	\$82,501 - \$157,500	\$82,501 - \$157,500	\$2,551 - \$9,150
32%	\$157,501 - \$200,000	\$315,001 - \$400,000	\$157,501 - \$200,000	\$157,501 - \$200,000	
35%	\$200,001 - \$500,000	\$400,001 - \$600,000	\$200,001 - \$300,000	\$200,001 - \$500,000	\$9,151 - \$12,500
37%	\$500,001 and up	\$600,001 and up	\$300,001 and up	\$500,001 and up	\$12,501 and up

Long Term Capital Gains

Rate	Single	Married Filing Jointly	Married Filing Separately	Head of Household	Trusts & Estates
0%	0 - \$38,600	0 - \$77,200	0 - \$38,600	0 - \$51,700	0 - \$2,600
15%	\$38,601 - \$425,800	\$77,201 - \$479,000	\$38,601 - \$239,500	\$51,701 - \$452,400	\$2,601 - \$12,700
20%	\$425,801 and up	\$479,001 and up	\$239,501 and up	\$452,401 and up	\$12,701 and up

Medicare Contribution Tax

Rate	Single ¹	Married Filing Jointly ¹	Married Filing Separately ¹	Head of Household	Trusts & Estates ²
3.8%	\$200,000+	\$250,000+	\$125,000+	\$200,000+	\$12,500

¹ Surtax applies to lesser of net investment income or Modified Adjusted Gross Income over threshold

² Surtax applies to the lesser of 1) undistributed net investment income or 2) the excess of adjusted gross income over \$12,500

Modified Adjusted Gross Income Tax Base Thresholds for Taxation of Social Security Benefits

% Taxed	Single	Married Filing Jointly	Married Filing Separately	Head of Household
50%	\$25,000 - \$34,000	\$32,000 - \$44,000	Depends on whether spouses live together during the tax year	\$25,000 - \$34,000
85%	\$34,001+	\$44,001+		\$34,001+

Standard Deductions

Single	Married Filing Jointly	Married Filing Separately	Head of Household
\$12,000	\$24,000	\$12,000	\$18,000

Notable Itemized Deductions

Deductible

- Mortgage interest up to \$750,000 of indebtedness on 1 or 2 residences for mortgages taken out after 12/15/2017
- Points on home mortgages
- Business interest
- Investment interest up to net investment income
- Either state or local income taxes or state and local sales taxes plus state and local real property taxes and personal property taxes. Combined deduction for state property and income taxes is limited to \$10,000.
- Medical and dental expenses to the extent that such expenses exceed 7.5% of Adjusted Gross Income

Non-Deductible Interest Expenses

- Credit card
- Auto loans
- Home equity loans
- Prepaid interest other than points on home mortgages
- Most other consumer loan interest

Qualified LTC Premium Deductibility

Age	<40	41-50	51-60	61-70	>70
Amount	\$420	\$780	\$1,530	\$4,160	\$5,200

Personal Exemption

No longer allowed, beginning in 2018

Alternative Minimum Tax

	Single	Married Filing Jointly	Married Filing Separately	Head of Household
Exemption	\$70,300	\$109,400	\$54,700	\$70,300
26% on Excess	0 - \$191,500	0 - \$191,500	0 - \$95,750	0 - \$191,500
28% on Excess	\$191,501+	\$191,501+	\$95,751+	\$191,501+
Phase-out begins	\$500,000	\$1,000,000	\$500,000	\$500,000

Estate & Gift Tax

Taxable Estate	Rate
\$0 - \$10,000	18%
\$10,000 - \$20,000	20%
\$20,000 - \$40,000	22%
\$40,000 - \$60,000	24%
\$60,000 - \$80,000	26%
\$80,000 - \$100,000	28%
\$100,000 - \$150,000	30%
\$150,000 - \$250,000	32%
\$250,000 - \$500,000	34%
\$500,000 - \$750,000	37%
\$750,000 - \$1,000,000	39%
\$1,000,000+	40%

Estate Tax

Applicable Exclusion Amount ³	\$11,200,000
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Gift Tax

Annual Exclusion	\$15,000 per donee
Annual Exclusion for a Noncitizen Spouse	\$152,000
Lifetime Gift Tax Applicable Exclusion ³	\$11,200,000

Generation Skipping Transfer Tax

GST Exemption Amount ²	\$11,200,000
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³ After 2025, Reverts to \$5,000,000 basic exclusion amount provided in section 2010(c)(3) of the Internal Revenue Code, indexed for inflation occurring after 2011.



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Business Income Tax

C-Corporation Tax Rate

21% Flat Tax Rate

Qualified Business Income 20% Deduction for pass-through Entities

Qualified income will be taxable at 80% of the normal tax bracket rate on other business income
Applies to the lesser of 20% of business income or 50% of total wages paid by the business
Specifically excludes certain types of professional service and investment income.

Corporate Alternative Minimum Tax

Repealed, beginning in 2018

Payroll Taxes

	Social Security	Medicare
Employee	6.2% of first \$128,400 of income	1.45%
Self-Employed	12.4% of first \$128,400 of income	2.90%

Individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9% in Medicare Taxes. The tax rates shown above do not include the 0.9%

Retirement Accounts

Retirement Account Contribution Limits

Plan Type	Regular	Catch-Up (Age 50+)
Roth IRA	\$5,500	\$6,500
Traditional IRA	\$5,500	\$6,500
401(k) & 403(b)	\$18,500	\$24,500
457 Plans	\$18,500	\$24,500
SIMPLE IRA	\$12,500	\$15,500
Defined Contribution	\$55,000	--

Other Plans & Compensation

Category	
Defined Benefit Plan Annual Benefit Limit	\$220,000
Highly Compensated Employee Under 414(q)(1)	\$120,000
Foreign Earned Income Exclusion	\$104,100

Traditional IRA Contribution Deduction Limits on Qualified Retirement Plan Participants⁴

Filing Status	Phase-out Begins	No Contribution Permitted
Single	\$63,000	\$73,000
Married, Filing Separately	\$1	\$10,001
Married, Filing Jointly	\$101,000	\$121,000

⁴ Deductions for IRA contributions for taxpayers who are eligible for a qualified plan may be limited.

Roth IRA Contribution Deduction Limits

Filing Status	Phase-out Begins	No Contribution Permitted
Single	\$120,000	\$135,000
Married, Filing Separately	\$1	\$10,001
Married, Filing Jointly	\$189,000	\$199,000

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