

2017 Tax Planning Quick Reference Guide



MIDTOWN
FINANCIAL ADVISORS

Federal income tax rates

If taxable income is: The tax is:

Single

\$0 - \$9,325	10%
\$9,326 - \$37,950	15%
\$37,951 - \$91,900	25%
\$91,901 - \$191,650	28%
\$191,651 - \$416,700	33%
\$416,701 - \$418,400	35%
\$418,401 or more	39.6%

Married, filing jointly

\$0 - \$18,650	10%
\$18,651 - \$75,900	15%
\$75,901 - \$153,100	25%
\$153,101 - \$233,350	28%
\$233,351 - \$416,700	33%
\$416,701 - \$470,700	35%
\$470,701 or more	39.6%

Married, filing separately

\$0 - \$9,325	10%
\$9,326 - \$37,950	15%
\$37,951 - \$76,550	25%
\$76,551 - \$116,675	28%
\$116,676 - \$208,350	33%
\$208,351 - \$235,350	35%
\$235,351 or more	39.6%

Head of household (HOH)

\$0 - \$13,350	10%
\$13,351 - \$50,800	15%
\$50,801 - \$131,200	25%
\$131,201 - \$212,500	28%
\$212,501 - \$416,700	33%
\$416,701 - \$444,550	35%
\$444,551 or more	39.6%

Estates and trusts

\$0 - \$2,550	15%
\$2,551 - \$6,000	25%
\$6,001 - \$9,150	28%
\$9,151 - \$12,500	33%
\$12,501 or more	39.6%

Standard deductions

Single	\$6,350
Married, filing jointly	\$12,700
Head of household	\$9,350
Married, filing separately	\$6,350
<i>Additional standard deduction for taxpayers who are age 65 or are blind:</i>	
Single or HOH	\$1,550
All other statuses	\$1,250

Personal exemption

\$4,050

Phaseout of personal exemption

Personal exemption begins to phase out once adjusted gross income (AGI) exceeds:

Single	\$261,500
Married, filing jointly	\$313,800
Head of household	\$287,650
Married, filing separately	\$156,900

Kiddie tax exemption

\$1,050

This is for children up to age 18, or ages 19-23 if a full-time student, provided child's earned income does not exceed ½ of his/her support

Rates for long-term capital gains and qualified dividends

10% and 15% brackets	0%
25%, 28%, 33% and 35% brackets	15%
39.6% bracket	20%
Capital gains on collectibles	28%

Investment income Medicare tax

3.8%

Applies to the lesser of (a) net investment income or (b) modified adjusted gross income exceeding:

- Individuals \$200,000
- Married, filing jointly \$250,000
- Married, filing separately \$125,000
- Estates and trusts \$12,500

IRA

IRA contribution (under age 50)	\$5,500
IRA contribution (50 and older)	\$6,500
IRA deduction phaseout (qualified plan participant):	
• Single or HOH	\$62,000 - \$72,000
• Married, filing jointly	\$99,000 - \$119,000
• Married, filing separately	\$0 - \$10,000
• Spousal IRA deduction phaseout	\$186,000 - \$196,000

Phaseout of Roth IRA contribution eligibility

Single	\$118,000 - \$133,000
Married, filing jointly	\$186,000 - \$196,000

SEP

SEP contribution limit	25% of compensation or \$54,000
Minimum compensation for SEP participant	\$600

SIMPLE

SIMPLE elective deferral (under age 50)	\$12,500
SIMPLE elective deferral (50 and older)	\$15,500

Retirement plans

401(k), 403(b), ¹ 457, and SARSEP elective deferral (under 50)	\$18,000
401(k), 403(b), ¹ 457, ² and SARSEP elective deferral (50 and older)	\$24,000
Limit on additions to defined contribution plans	\$54,000
Annual benefit limit on defined benefit plans	\$215,000
Highly compensated employee makes	\$120,000
Maximum compensation taken into account for qualified plans	\$270,000

Federal gift and estate tax

Gift tax annual exclusion	\$14,000
Annual exclusion for gift to noncitizen spouse	\$149,000
Estate tax exclusion amount	\$5,490,000
Lifetime gifting exclusion amount	\$5,490,000
Highest gift tax rate	40%
Highest estate tax rate	40%
Highest generation-skipping transfer tax	40%

Social Security

Maximum earnings (during working years) \$127,200
subject to FICA tax
income³ (in retirement) causing Social Security benefits to be taxable:

- Single or HOH
 - 50% taxable \$25,000 - \$34,000 MAGI
 - 85% taxable More than \$34,000
- Married, filing jointly
 - 50% taxable \$32,000 - \$44,000 MAGI
 - 85% taxable More than \$44,000

Maximum earnings (from a job) between age 62 and normal Social Security retirement age before Social Security benefits are reduced \$1 for every additional \$2 earned \$16,920

¹ Additional catch-up contributions may be available for 403(b) participants with 15 or more years of service.

² In the last three years pre-retirement, 457-plan participants may be able to increase elective deferral if needed to catch up on missed contributions.

³ Most income, including municipal bond interest, but only ½ of Social Security benefits.

2017 required minimum distribution summary

Uniform lifetime table

For use by:

- Unmarried owners
- Married owners whose spouses are not more than 10 years younger
- Married owners whose spouses are not the sole beneficiaries of their IRAs

(For married owners whose spouses are more than 10 years younger and are the sole beneficiary of the IRA, use the Joint Life Table from IRS Publication 590.)

Single life expectancy table

For use by:

- Nonspouse individual beneficiaries (includes certain properly drafted trusts)⁴
- Spousal beneficiaries of inherited IRAs/qualified plans (QP)
- Entities (such as estates and charities) when the owner dies after their required beginning date (RBD); use the deceased owner's attained age in the year

Uniform lifetime table

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

Single life expectancy table

Age	Life expectancy	Age	Life expectancy
0	82.4	56	28.7
1	81.6	57	27.9
2	80.6	58	27.0
3	79.7	59	26.1
4	78.7	60	25.2
5	77.7	61	24.4
6	76.7	62	23.5
7	75.8	63	22.7
8	74.8	64	21.8
9	73.8	65	21.0
10	72.8	66	20.2
11	71.8	67	19.4
12	70.8	68	18.6
13	69.9	69	17.8
14	68.9	70	17.0
15	67.9	71	16.3
16	66.9	72	15.5
17	66.0	73	14.8
18	65.0	74	14.1
19	64.0	75	13.4
20	63.0	76	12.7
21	62.1	77	12.1
22	61.1	78	11.4
23	60.1	79	10.8
24	59.1	80	10.2
25	58.2	81	9.7
26	57.2	82	9.1
27	56.2	83	8.6
28	55.3	84	8.1
29	54.3	85	7.6
30	53.3	86	7.1
31	52.4	87	6.7
32	51.4	88	6.3
33	50.4	89	5.9
34	49.4	90	5.5
35	48.5	91	5.2
36	47.5	92	4.9
37	46.5	93	4.6
38	45.6	94	4.3
39	44.6	95	4.1
40	43.6	96	3.8
41	42.7	97	3.6
42	41.7	98	3.4
43	40.7	99	3.1
44	39.8	100	2.9
45	38.8	101	2.7
46	37.9	102	2.5
47	37.0	103	2.3
48	36.0	104	2.1
49	35.1	105	1.9
50	34.2	106	1.7
51	33.3	107	1.5
52	32.3	108	1.4
53	31.4	109	1.2
54	30.5	110	1.1
55	29.6	111+	1.0

⁴ The trust beneficiaries must be individuals clearly identifiable (from the trust document) as designated beneficiaries as of September 30 following the year of your death.

- The trust must be valid under state law; a trust that would be valid under state law, except for the fact that the trust lacks a trust "corpus" or principal, will qualify.
- The trust must be irrevocable, or (by its terms) become irrevocable upon the death of the IRA owner or plan participant.
- The trust document, all amendments, and the list of trust beneficiaries (including contingent and remainder beneficiaries) must be provided to the IRA custodian or plan administrator by the October 31 following the year of your death.

⁵ When the IRA/QP owner dies before their RBD and no beneficiary is named or the beneficiary is an entity such as an estate, charity or nonconforming trust, the IRA must be distributed within five years. The single life table is not used.

Source: IRS.gov. Information is accurate as of January 2017. This document is designed to provide general information on the subjects covered. Pursuant to IRS Circular 230, it is not, however, intended to provide specific legal or tax advice and cannot be used to avoid tax penalties or to promote, market or recommend any tax plan or arrangement.

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