



## Heritage Advisory Group

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# 2023 Key Numbers





# Individual Income Tax Planning

## Adoption credit

Adoption credit	2022	2023
Maximum credit	\$14,890	\$15,950
Phaseout threshold amount	\$223,410	\$239,230
Completed phaseout amount after	\$263,410	\$279,230

## Alternative Minimum Tax (AMT)

Maximum AMT exemption amount	2022	2023
Married filing jointly or surviving spouse	\$118,100	\$126,500
Single or head of household	\$75,900	\$81,300
Married filing separately	\$59,050	\$63,250

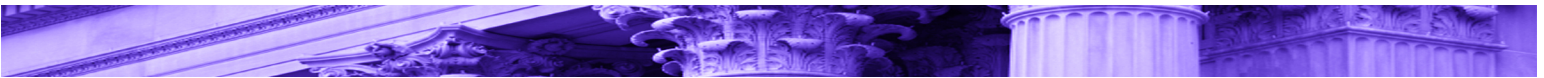
AMT income exemption phaseout threshold	2022	2023
Married filing jointly or surviving spouse	\$1,079,800	\$1,156,300
Single or head of household	\$539,900	\$578,150
Married filing separately	\$539,900	\$578,150

AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)	2022	2023
All taxpayers except married filing separately	\$206,100	\$220,700
Married filing separately	\$103,050	\$110,350

## Charitable deductions

Use of auto	2022	2023
Deductible standard mileage rate	\$0.14	\$0.14

Charitable fundraising "insubstantial benefit" limitation	2022	2023
Low-cost article (re: unrelated business income)	\$11.70	\$12.50



<b>Gifts to donor in return for contribution</b>	<b>2022</b>	<b>2023</b>
Token gift maximum cost <sup>1</sup>	\$11.70	\$12.50
Minimum contribution amount <sup>1</sup>	\$58.50	\$62.50
2% threshold amount <sup>2</sup>	\$117	\$125

<sup>1</sup> Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

<sup>2</sup> Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

### Child tax credit

<b>Amount of credit</b>	<b>2022</b>	<b>2023</b>
Maximum credit per qualifying child	\$2,000	\$2,000
Nonrefundable credit for dependents who are not qualifying children	\$500	\$500

<b>Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over (but not to be reduced below \$2,000):</b>	<b>2022</b>	<b>2023</b>
Married filing jointly or surviving spouse	N/A	N/A
Head of household	N/A	N/A
Single or married filing separately	N/A	N/A

<b>Phaseout -- any remaining credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:</b>	<b>2022</b>	<b>2023</b>
Married filing jointly	\$400,000	\$400,000
All other filing status	\$200,000	\$200,000

<b>Refundability -- up to specified percentage of earned income in excess of specified amount</b>	<b>2022</b>	<b>2023</b>
Percentage	15%	15%
Amount	\$2,500	\$2,500
Maximum refundable amount of credit	\$1,500	\$1,600

## Classroom expenses of elementary and secondary school teachers

Classroom expense deduction	2022	2023
Maximum above-the-line deduction	\$300	\$300

## Earned income tax credit (EITC)

Investment income limit	2022	2023
Excessive investment income limit ("disqualified income limit")	\$10,300	\$11,000

Maximum amount of EITC per number of children	2022	2023
0 children	\$560	\$600
1 child	\$3,733	\$3,995
2 children	\$6,164	\$6,604
3 or more children	\$6,935	\$7,730

Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)	2022	2023
0 children	\$7,320	\$7,840
1 child	\$10,980	\$11,750
2 or more children	\$15,410	\$16,510

Threshold phaseout amount for joint filers per number of children	2022	2023
0 children	\$15,290	\$16,370
1 child	\$26,260	\$28,120
2 children	\$26,260	\$28,120
3 or more children	\$26,260	\$28,120

Threshold phaseout amount for other filers per number of children	2022	2023
0 children	\$9,160	\$9,800
1 child	\$20,130	\$21,560
2 children	\$20,130	\$21,560
3 or more children	\$20,130	\$21,560



Completed phaseout amount for joint filers per number of children	2022	2023
0 children	\$22,610	\$24,210
1 child	\$49,622	\$53,120
2 children	\$55,529	\$59,478
3 or more children	\$59,187	\$63,398

Completed phaseout amount for other filers per number of children	2022	2023
0 children	\$16,480	\$17,640
1 child	\$43,492	\$46,560
2 children	\$49,399	\$52,918
3 or more children	\$53,057	\$56,838

## Expatriation

Covered expatriate	2022	2023
An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1)	\$178,000	\$190,000
IRC §877A(3) exclusion amount	\$767,000	\$821,000

## Foreign earned income

Amount excluded from income	2022	2023
Exclusion amount	\$112,000	\$120,000

## Itemized deductions

Phaseout threshold	2022	2023
Married filing jointly	N/A	N/A
Head of household	N/A	N/A
Unmarried	N/A	N/A
Married filing separately	N/A	N/A



## Kiddie tax

Unearned income limit	2022	2023
Amount exempt from tax	\$1,150	\$1,250
Additional amount taxed at child's rate	\$1,150	\$1,250
Unearned income over this amount generally taxed at parents' tax rates	\$2,300	\$2,500

Parent's election	2022	2023
Election to include child's income on parent's return -- child's gross income requirement	\$1,150 - \$11,500	\$1,250 - \$12,500

AMT	2022	2023
AMT exemption for child subject to kiddie tax	Lesser of \$7,950 + child's earned income or \$73,600	Lesser of \$8,800 + child's earned income or \$81,300

## Medicare tax (additional payroll tax and unearned income contribution tax)

Payroll tax	2022	2023
Additional Medicare payroll tax (and self-employment tax) percentage rate	0.90%	0.90%

Applies to wages/self-employment income exceeding	2022	2023
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Tax on unearned income	2022	2023
Unearned income Medicare contribution tax rate	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding	2022	2023
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

## Nanny tax

Compensation threshold	2022	2023
Domestic employee coverage threshold	\$2,400	\$2,600

## Personal exemption amount

Amount	2022	2023
Personal exemption amount	N/A	N/A

Married filing jointly	2022	2023
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Head of household	2022	2023
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Unmarried	2022	2023
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

Married filing separately	2022	2023
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

## "Saver's Credit"

<b>Elective Deferrals and IRA or ALE Contributions by Certain Individuals</b>	<b>2022</b>	<b>2023</b>
Maximum credit amount	\$1,000	\$1,000

<b>Applicable percentage of 50% applies to AGI</b>	<b>2022</b>	<b>2023</b>
Joint Return	\$0 - \$41,000	\$0 - \$43,500
Head of Household	\$0 - \$30,750	\$0 - \$32,625
Other	\$0 - \$20,500	\$0 - \$21,750

<b>Applicable percentage of 20% applies to AGI</b>	<b>2022</b>	<b>2023</b>
Joint Return	\$41,001 - \$44,000	\$43,501 - \$47,500
Head of Household	\$30,751 - \$33,000	\$32,626 - \$35,625
Other	\$20,501 - \$22,000	\$21,751 - \$23,750

<b>Applicable percentage of 10% applies to AGI</b>	<b>2022</b>	<b>2023</b>
Joint Return	\$44,001 - \$68,000	\$47,501 - \$73,000
Head of Household	\$33,001 - \$51,000	\$35,626 - \$54,750
Other	\$22,001 - \$34,000	\$23,751 - \$36,500

<b>Applicable percentage of 0% applies to AGI</b>	<b>2022</b>	<b>2023</b>
Joint Return	Over \$68,000	Over \$73,000
Head of Household	Over \$51,000	Over \$54,750
Other	Over \$34,000	Over \$36,500



## Standard deductions

Amounts	2022	2023
Married filing jointly or surviving spouse	\$25,900	\$27,700
Head of household	\$19,400	\$20,800
Unmarried	\$12,950	\$13,850
Married filing separately	\$12,950	\$13,850
Dependent--Standard deduction cannot exceed the greater of:	\$1,150 or \$400 + earned income	\$1,250 or \$400 + earned income
Additional deduction for aged or blind (single or head of household)	\$1,750	\$1,850
Additional deduction for aged or blind (all other filing statuses)	\$1,400	\$1,500

## Standard mileage rates

Applicable rates	2022	2023
Use of auto for business purposes (cents per mile)	\$0.585 or \$0.625*	TBD
Use of auto for medical purposes (cents per mile)	\$0.18 or \$0.22*	TBD
Use of auto for moving purposes (cents per mile)	\$0.18 or \$0.22*	TBD
* The IRS raised mileage rates for the final 6 months of 2022, so the higher rates noted above are effective as of July 1, 2022.		

# 2023

JANUARY	FEBRUARY	MARCH	APRIL
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SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
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## 2023 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### Single taxpayers

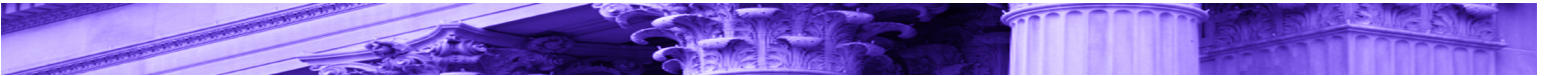
If taxable income is:	Your tax is:
Not over \$11,000	10% of taxable income
Over \$11,000 to \$44,725	\$1,100 + 12% of the excess over \$11,000
Over \$44,725 to \$95,375	\$5,147 + 22% of the excess over \$44,725
Over \$95,375 to \$182,100	\$16,290 + 24% of the excess over \$95,375
Over \$182,100 to \$231,250	\$37,104 + 32% of the excess over \$182,100
Over \$231,250 to \$578,125	\$52,832 + 35% of the excess over \$231,250
Over \$578,125	\$174,238.25 + 37% of the excess over \$578,125

### Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$22,000	10% of taxable income
Over \$22,000 to \$89,450	\$2,200 + 12% of the excess over \$22,000
Over \$89,450 to \$190,750	\$10,294 + 22% of the excess over \$89,450
Over \$190,750 to \$364,200	\$32,580 + 24% of the excess over \$190,750
Over \$364,200 to \$462,500	\$74,208 + 32% of the excess over \$364,200
Over \$462,500 to \$693,750	\$105,664 + 35% of the excess over \$462,500
Over \$693,750	\$186,601.50 + 37% of the excess over \$693,750

### Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$11,000	10% of taxable income
Over \$11,000 to \$44,725	\$1,100 + 12% of the excess over \$11,000
Over \$44,725 to \$95,375	\$5,147 + 22% of the excess over \$44,725
Over \$95,375 to \$182,100	\$16,290 + 24% of the excess over \$95,375
Over \$182,100 to \$231,250	\$37,104 + 32% of the excess over \$182,100
Over \$231,250 to \$346,875	\$52,832 + 35% of the excess over \$231,250
Over \$346,875	\$93,300.75 + 37% of the excess over \$346,875



## Heads of household

If taxable income is:	Your tax is:
Not over \$15,700	10% of taxable income
Over \$15,700 to \$59,850	\$1,570 + 12% of the excess over \$15,700
Over \$59,850 to \$95,350	\$6,868 + 22% of the excess over \$59,850
Over \$95,350 to \$182,100	\$14,678 + 24% of the excess over \$95,350
Over \$182,100 to \$231,250	\$35,498 + 32% of the excess over \$182,100
Over \$231,250 to \$578,100	\$51,226 + 35% of the excess over \$231,250
Over \$578,100	\$172,623.50 + 37% of the excess over \$578,100

## Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,900	10% of taxable income
Over \$2,900 to \$10,550	\$290 + 24% of the excess over \$2,900
Over \$10,550 to \$14,450	\$2,126 + 35% of the excess over \$10,550
Over \$14,450	\$3,491 + 37% of the excess over \$14,450

# 2022

JANUARY	FEBRUARY	MARCH	APRIL
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
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## 2022 Federal Income Tax Rate Schedules (Individuals, Trusts, and Estates)

### Single taxpayers

If taxable income is:	Your tax is:
Not over \$10,275	10% of taxable income
Over \$10,275 to \$41,775	\$1,027.50 + 12% of the excess over \$10,275
Over \$41,775 to \$89,075	\$4,807.50 + 22% of the excess over \$41,775
Over \$89,075 to \$170,050	\$15,213.50 + 24% of the excess over \$89,075
Over \$170,050 to \$215,950	\$34,647.50 + 32% of the excess over \$170,050
Over \$215,950 to \$539,900	\$49,335.50 plus 35% of the excess over \$215,950
Over \$539,900	\$162,718 plus 37% of the excess over \$539,900

### Married filing jointly and surviving spouses

If taxable income is:	Your tax is:
Not over \$20,550	10% of taxable income
Over \$20,550 to \$83,550	\$2,055 + 12% of the excess over \$20,550
Over \$83,550 to \$178,150	\$9,615 plus 22% of the excess over \$83,550
Over \$178,150 to \$340,100	\$30,427 plus 24% of the excess over \$178,150
Over \$340,100 to \$431,900	\$69,295 plus 32% of the excess over \$340,100
Over \$431,900 to \$647,850	\$98,671 plus 35% of the excess over \$431,900
Over \$647,850	\$174,253.50 plus 37% of the excess over \$647,850

### Married individuals filing separately

If taxable income is:	Your tax is:
Not over \$10,275	10% of taxable income
Over \$10,275 to \$41,775	\$1,027.50 + 12% of the excess over \$10,275
Over \$41,775 to \$89,075	\$4,807.50 plus 22% of the excess over \$41,775
Over \$89,075 to \$170,050	\$15,213.50 plus 24% of the excess over \$89,075
Over \$170,050 to \$215,950	\$34,647.50 plus 32% of the excess over \$170,050
Over \$215,950 to \$323,925	\$49,335.50 plus 35% of the excess over \$215,950
Over \$323,925	\$87,126.75 plus 37% of the excess over \$323,925



## Heads of household

If taxable income is:	Your tax is:
Not over \$14,650	10% of taxable income
Over \$14,650 to \$55,900	\$1,465 + 12% of the excess over \$14,650
Over \$55,900 to \$89,050	\$6,415 plus 22% of the excess over \$55,900
Over \$89,050 to \$170,050	\$13,708 plus 24% of the excess over \$89,050
Over \$170,050 to \$215,950	\$33,148 plus 32% of the excess over \$170,050
Over \$215,950 to \$539,900	\$47,836 plus 35% of the excess over \$215,950
Over \$539,900	\$161,218.50 plus 37% of the excess over \$539,900

## Trusts and estates

If taxable income is:	Your tax is:
Not over \$2,750	10% of taxable income
Over \$2,750 to \$9,850	\$275 + 24% of the excess over \$2,750
Over \$9,850 to \$13,450	\$1,979 + 35% of the excess over \$9,850
Over \$13,450	\$3,239 + 37% of the excess over \$13,450



## Business Planning

### Adoption Assistance Programs

Adoption assistance	2022	2023
Maximum amount that can be excluded from employee's gross income	\$14,890	\$15,590
Phaseout threshold amount	\$223,410	\$239,230
Completed phaseout amount after	\$263,410	\$279,230

### Earnings subject to FICA taxes (taxable wage base)

FICA tax	2022	2023
Maximum annual earnings subject to Social Security taxes	\$147,000	\$160,200
Social Security and Medicare combined tax rate	15.30% <sup>1</sup>	15.30% <sup>1</sup>
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% <sup>1</sup>	2.90% <sup>1</sup>

<sup>1</sup> An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

### Health insurance deduction for self-employed

Health insurance premiums	2022	2023
Deduction for health insurance premiums paid by self-employed persons	100%	100%

### Qualified transportation fringe benefits

Qualified transportation fringe benefits	2022	2023
Commuter vehicles and transit pass monthly exclusion amount	\$280	\$300
Qualified parking monthly exclusion amount	\$280	\$300
Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	N/A	N/A



## Section 179 expensing

Section 179 expensing	2022	2023
Maximum amount that may be deducted under IRC Section 179	\$1,080,000	\$1,160,000
Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$2,700,000	\$2,890,000

## Small business tax credit for providing health-care coverage

Amount of credit	2022	2023
Maximum credit percentage	50%	50%

Partial credit	2022	2023
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$57,400	\$61,400

Full credit	2022	2023
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$28,700	\$30,700

## Special additional first-year depreciation allowance

Bonus depreciation	2022	2023
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	100%	100%

## Standard mileage rate (per mile)

Business use of auto	2022	2023
Use of auto for business purposes	\$0.585 or \$0.625*	TBD

\* The IRS raised mileage rates for the final 6 months of 2022, so the higher rate noted above is effective as of July 1, 2022.



## Education Planning

### American Opportunity and Lifetime Learning Credits

Education credits	2022	2023
Maximum American Opportunity credit	\$2,500	\$2,500
Maximum Lifetime Learning credit	\$2,000	\$2,000

MAGI phaseout range for American Opportunity credit	2022	2023
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

MAGI phaseout range for Lifetime Learning credit	2022	2023
Single--phaseout threshold amount	\$80,000	\$80,000
Single--completed phaseout amount after	\$90,000	\$90,000
Married filing jointly--phaseout threshold amount	\$160,000	\$160,000
Married filing jointly--completed phaseout amount after	\$180,000	\$180,000

### Coverdell education savings accounts

Coverdell ESAs	2022	2023
Annual contribution limit	\$2,000	\$2,000

MAGI phaseout range for Coverdell education savings accounts	2022	2023
Single--phaseout threshold amount	\$95,000	\$95,000
Single--completed phaseout amount after	\$110,000	\$110,000
Married filing jointly--phaseout threshold amount	\$190,000	\$190,000
Married filing jointly--completed phaseout threshold amount	\$220,000	\$220,000

## Deduction for qualified higher education expenses

Higher education expenses	2022	2023
Maximum deduction	N/A	N/A

MAGI maximum for full \$4,000 deduction	2022	2023
Single	N/A	N/A
Married filing jointly	N/A	N/A

MAGI range for \$2,000 deduction	2022	2023
Single--MAGI greater than this amount:	N/A	N/A
Single--MAGI does not exceed this amount:	N/A	N/A
Married filing jointly--MAGI greater than this amount:	N/A	N/A
Married filing jointly--MAGI does not exceed this amount:	N/A	N/A

## Deduction for student loan interest

Education loan interest deduction	2022	2023
Maximum deduction for interest paid on qualified education loans	\$2,500	\$2,500

MAGI phaseout range	2022	2023
Single--phaseout threshold amount	\$70,000	\$75,000
Single--completed phaseout amount after	\$85,000	\$90,000
Married filing jointly--phaseout threshold amount	\$140,000	\$155,000
Married filing jointly--completed phaseout amount after	\$170,000	\$185,000

## Gift tax exclusion

Gift tax	2022	2023
Annual gift tax exclusion--single individual	\$16,000	\$17,000
Annual gift tax exclusion--joint gift	\$32,000	\$34,000
Lump-sum gift to 529 plan--single individual	\$80,000	\$85,000
Lump-sum gift to 529 plan--joint gift	\$160,000	\$170,000

## Kiddie tax

Kiddie tax	2022	2023
Children's unearned income over this amount generally taxed at parents' tax rates	\$2,300	\$2,500

## U.S. savings bonds interest exclusion for college expenses

Joint returns	2022	2023
Phaseout threshold for joint returns	\$128,650	\$137,800
Completed phaseout amount after	\$158,650	\$167,800

Other returns	2022	2023
Phaseout threshold for other returns	\$85,800	\$91,850
Completed phaseout amount after	\$100,800	\$106,850



## Protection Planning

### Eligible long-term care premium deduction limits:

LTC premium deduction limits	2022	2023
Age 40 or under	\$450	\$480
Age 41-50	\$850	\$890
Age 51-60	\$1,690	\$1,790
Age 61-70	\$4,510	\$4,770
Over age 70	\$5,640	\$5,960

### Per diem limit:

LTC periodic payments	2022	2023
Periodic payments for qualified long-term care insurance/certain life insurance	\$390	\$420

### Archer Medical Savings Accounts

High deductible health plan--self-only coverage	2022	2023
Annual deductible--minimum	\$2,450	\$2,650
Annual deductible--maximum	\$3,700	\$3,950
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$4,950	\$5,300

High deductible health plan--family coverage	2022	2023
Annual deductible--minimum	\$4,950	\$5,300
Annual deductible--maximum	\$7,400	\$7,900
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$9,050	\$9,650

## Flexible spending account (FSA) for health care

Health care FSAs	2022	2023
Maximum salary reduction contribution	\$2,850	\$3,050

## Health Savings Accounts (HSAs)

Annual contribution limit	2022	2023
Self-only coverage	\$3,650	\$3,850
Family coverage	\$7,300	\$7,750

High deductible health plan--self-only coverage	2022	2023
Annual deductible--minimum	\$1,400	\$1,500
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$7,050	\$7,500

High deductible health plan--family coverage	2022	2023
Annual deductible--minimum	\$2,800	\$3,000
Annual out-of-pocket expenses required to be paid (other than for premiums) can't exceed	\$14,100	\$15,000

Catch-up contributions	2022	2023
Annual catch-up contribution limit for individuals age 55 or older	\$1,000	\$1,000





## Estate Planning

Key indexed figures	2022	2023
Annual gift exclusion:	\$16,000	\$17,000
Gift and estate tax applicable exclusion amount:	\$12,060,000 + DSUEA <sup>1</sup>	\$12,920,000 + DSUEA <sup>1</sup>
Noncitizen spouse annual gift exclusion:	\$164,000	\$175,000
Generation-skipping transfer (GST) tax exemption:	\$12,060,000 <sup>2</sup>	\$12,920,000 <sup>2</sup>
Special use valuation limit (qualified real property in decedent's gross estate):	\$1,230,000	\$1,310,000

<sup>1</sup> Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable for 2011 and later years)

<sup>2</sup> The GST tax exemption is not portable

### 2022 and 2023 gift and estate tax rate schedule

Taxable Estate	Tentative Tax Equals	Plus	Of Amount Over
0 - \$10,000	\$0	18%	\$0
\$10,000 - \$20,000	\$1,800	20%	\$10,000
\$20,000 - \$40,000	\$3,800	22%	\$20,000
\$40,000 - \$60,000	\$8,200	24%	\$40,000
\$60,000 - \$80,000	\$13,000	26%	\$60,000
\$80,000 - \$100,000	\$18,200	28%	\$80,000
\$100,000 - \$150,000	\$23,800	30%	\$100,000
\$150,000 - \$250,000	\$38,800	32%	\$150,000
\$250,000 - \$500,000	\$70,800	34%	\$250,000
\$500,000 - \$750,000	\$155,800	37%	\$500,000
\$750,000 - \$1,000,000	\$248,300	39%	\$750,000
\$1,000,000 +	\$345,800	40%	\$1,000,000
Credit shelter amount \$12,060,000 in 2022 and \$12,920,000 in 2023	Unified credit amount \$4,769,800 in 2022 and \$5,113,800 in 2023		



# Government Benefits

## Social Security

<b>Social Security Cost-of-living adjustment (COLA)</b>	<b>2022</b>	<b>2023</b>
For Social Security and Supplemental Security Income (SSI) beneficiaries	5.90%	8.70%

<b>Tax rate--employee</b>	<b>2022</b>	<b>2023</b>
FICA tax -- Employee	7.65%	7.65%
Social Security (OASDI) portion of tax	6.20%	6.20%
Medicare (HI) portion of tax	1.45% <sup>1</sup>	1.45% <sup>1</sup>

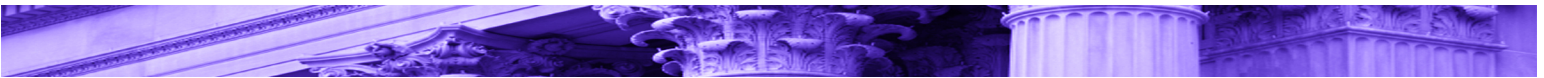
<b>Tax rate--self-employed</b>	<b>2022</b>	<b>2023</b>
Self-Employed	15.30%	15.30%
Social Security (OASDI) portion of tax	12.40%	12.40%
Medicare (HI) portion of tax	2.90% <sup>1</sup>	2.90% <sup>1</sup>

<sup>1</sup> An additional 0.9% Medicare/hospital insurance tax (for a total employee contribution of 2.35%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). An additional 0.9% Medicare/hospital insurance tax (for a total Medicare portion of 3.8%) is assessed on self-employment income exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns).

<b>Maximum taxable earnings</b>	<b>2022</b>	<b>2023</b>
Social Security (OASDI only)	\$147,000	\$160,200
Medicare (HI only)	No limit	No Limit

<b>Quarter of coverage</b>	<b>2022</b>	<b>2023</b>
Earnings required	\$1,510	\$1,640

<b>Retirement earnings test--exempt amounts--Under full retirement age--Benefits reduced by \$1 for each \$2 earned above:</b>	<b>2022</b>	<b>2023</b>
Yearly figure	\$19,560	\$21,240
Monthly figure	\$1,630	\$1,770



<b>Retirement earnings test--exempt amounts--Year individual reaches full retirement age--Benefits reduced by \$1 for each \$3 earned above (applies only to earnings for months prior to attaining full retirement age):</b>	<b>2022</b>	<b>2023</b>
Yearly figure	\$51,960	\$56,520
Monthly figure	\$4,330	\$4,710

<b>Retirement earnings test--exempt amounts--Beginning the month individual attains full retirement age</b>	<b>2022</b>	<b>2023</b>
	No limit on earnings	No limit on earnings

<b>Social Security disability thresholds</b>	<b>2022</b>	<b>2023</b>
Substantial gainful activity (SGA) for the sighted (monthly figure)	\$1,350	\$1,470
Substantial gainful activity for the blind (monthly figure)	\$2,260	\$2,460
Trial work period (TWP) (monthly figure)	\$970	\$1,050

<b>SSI federal payment standard</b>	<b>2022</b>	<b>2023</b>
Individual (monthly figure)	\$841	\$914
Couple (monthly figure)	\$1,261	\$1,371

<b>SSI resource limits</b>	<b>2022</b>	<b>2023</b>
Individual	\$2,000	\$2,000
Couple	\$3,000	\$3,000

<b>SSI student exclusion limits</b>	<b>2022</b>	<b>2023</b>
Monthly limit	\$2,040	\$2,220
Annual limit	\$8,230	\$8,950

<b>Maximum Social Security benefit</b>	<b>2022</b>	<b>2023</b>
Worker retiring at full retirement age (monthly figure)	\$3,345	\$3,627



Formula for Monthly Primary Insurance Amount (PIA)	2022	2023
(90% of first X of AIME + 32% of the AIME over X and through Y + 15% of AIME over Y)	X=\$1,024 Y=\$6,172	X=\$1,115 Y=\$6,721

## Medicare

Medicare monthly premium amounts--Part A (hospital insurance) premium	2022	2023
Individuals with 40 or more quarters of Medicare-covered employment	\$0	\$0
Individuals with less than 40 quarters of Medicare-covered employment who are not otherwise eligible for premium-free hospital insurance	Up to \$499	Up to \$506

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file an individual income tax return with income that is:			
2022	2023	2022	2023
Less than or equal to \$91,000	Less than or equal to \$97,000	\$170.10 <sup>2</sup>	\$164.90 <sup>2</sup>
\$91,001 - \$114,000	\$97,001 - \$123,000	\$238.10	\$230.80
\$114,001 - \$142,000	\$123,001 - \$153,000	\$340.20	\$329.70
\$142,001 - \$170,000	\$153,001 - \$183,000	\$442.30	\$428.60
\$170,001 - \$499,999	\$183,001 - \$499,999	\$544.30	\$527.50
\$500,000 and above	\$500,000 and above	\$578.30	\$560.50

Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who file a joint income tax return with income that is:			
2022	2023	2022	2023
Less than or equal to \$182,000	Less than or equal to \$194,000	\$170.10 <sup>2</sup>	\$164.90 <sup>2</sup>
\$182,001 - \$228,000	\$194,001 - \$246,000	\$238.10	\$230.80
\$228,001 - \$284,000	\$246,001 - \$306,000	\$340.20	\$329.70
\$284,001 - \$340,000	\$306,001 - \$366,000	\$442.30	\$428.60
\$340,001 - \$749,999	\$366,001 - \$749,999	\$544.30	\$527.50
\$750,000 and above	\$750,000 and above	\$578.30	\$560.50



**Medicare monthly premium amounts--Part B (medical insurance) monthly premium--for beneficiaries who are married, but file a separate tax return from their spouse and lived with spouse at some time during the taxable year with income that is:**

2022	2023	2022	2023
Less than or equal to \$91,000	Less than or equal to \$97,000	\$170.10 <sup>2</sup>	\$164.90 <sup>2</sup>
\$91,001 - \$408,999	\$97,001 - \$402,999	\$544.30	\$527.50
\$409,000 and above	\$403,000 and above	\$578.30	\$560.50

<sup>2</sup> This is the standard Part B premium amount. However, some people who get Social Security benefits will pay more or less than this amount.

<b>Original Medicare plan deductible and coinsurance amounts--Part A (hospital insurance)</b>	<b>2022</b>	<b>2023</b>
Deductible per benefit period	\$1,556	\$1,600
Coinsurance per day for 61st to 90th day of each benefit period	\$389	\$400
Coinsurance per day for 91st to 150th day for each lifetime reserve day (total of 60 lifetime reserve days--nonrenewable)	\$778	\$800

<b>Original Medicare plan deductible and coinsurance amounts</b>	<b>2022</b>	<b>2023</b>
Skilled nursing facility coinsurance per day for 21st to 100th day of each benefit period	\$194.50	\$200

<b>Original Medicare plan deductible and coinsurance amounts--Part B (medical insurance) annual deductible</b>	<b>2022</b>	<b>2023</b>
Individual pays 20 percent of the Medicare-approved amount for services after deductible is met	\$233	\$226

## Medicaid

Income threshold	2022	2023
Monthly income threshold for income-cap states ("300 percent cap limit")	\$2,523	\$2,742

Monthly maintenance needs allowance for at-home spouse	2022	2023
Minimum <sup>3</sup>	\$2,177.50	\$2,288.75
Maximum	\$3,435.00	\$3,715.50

Community spousal resource allowance	2022	2023
Minimum	\$27,480.00	\$29,724.00
Maximum	\$137,400.00	\$148,620.00

<sup>3</sup> Amounts listed actually effective as of July of prior year; different amounts apply to Alaska and Hawaii.

## Retirement Planning

### Employee/individual contribution limits

Elective deferral limits	2022	2023
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>1</sup> [Includes Roth 401(k) and Roth 403(b) contributions]	Lesser of \$20,500 or 100% of participant's compensation	Lesser of \$22,500 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans <sup>1</sup>	Lesser of \$14,000 or 100% of participant's compensation	Lesser of \$15,500 or 100% of participant's compensation

<sup>1</sup> Must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

IRA contribution limits	2022	2023
Traditional IRAs	Lesser of \$6,000 or 100% of earned income	Lesser of \$6,500 or 100% of earned income
Roth IRAs	Lesser of \$6,000 or 100% of earned income	Lesser of \$6,500 or 100% of earned income

Additional "catch-up" limits (individuals age 50 or older)	2022	2023
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs <sup>2</sup>	\$6,500	\$7,500
SIMPLE 401(k) plans and SIMPLE IRA plans	\$3,000	\$3,500
IRAs (traditional and Roth)	\$1,000	\$1,000





<sup>2</sup> Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

## Employer contribution/benefit<sup>3</sup> limits

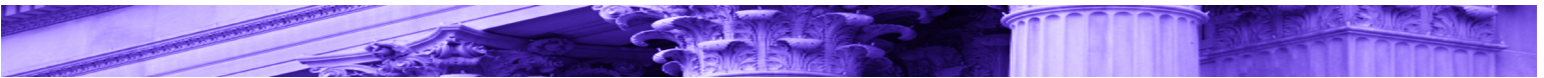
Defined benefit plan limits	2022	2023
Annual contribution limit per participant	No predetermined limit. Contributions based on amount needed to fund promised benefits	No predetermined limit. Contributions based on amount needed to fund promised benefits.
Annual benefit limit per participant	Lesser of \$245,000 or 100% of average compensation for highest three consecutive years	Lesser of \$265,000 or 100% of average compensation for highest three consecutive years

Defined contribution plan limits [qualified plans, 403(b) plans, SEP, and SIMPLE plans]	2022	2023
Annual addition limit per participant ( <i>employer contributions; employee pre-tax, after-tax, and Roth contributions; and forfeitures</i> ) ( <i>does not apply to SIMPLE IRA plans</i> )	Lesser of \$61,000 or 100% (25% for SEP) of participant's compensation	Lesser of \$66,000 or 100% (25% for SEP) of participant's compensation
Maximum tax-deductible employer contribution [ <i>not applicable to 403(b) plans</i> ]	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pre-tax and Roth contributions; 100% for SIMPLE plans	25% of total compensation of employees covered under the plan (20% if self employed) plus any employee pre-tax and Roth contributions; 100% for SIMPLE plans

<sup>3</sup> For self-employed individuals, compensation generally means earned income. This means that, for qualified plans, deductible contributions for a self-employed individual are limited to 20% of net earnings from self-employment (net profits minus self-employment tax deduction), and special rules apply in calculating the annual additions limit.

## Compensation limits/thresholds

Retirement plan compensation limits	2022	2023
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	\$305,000	\$330,000
Compensation threshold used to determine a highly compensated employee	\$135,000 (when 2022 is the look-back year)	\$150,000 (when 2023 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	\$1 for more-than-5% owners, \$200,000 for officers, \$150,000 for more-than-1% owners	\$1 for more-than-5% owners, \$215,000 for officers, \$150,000 for more-than-1% owners



Compensation threshold used to determine a qualifying employee under a SIMPLE plan	\$5,000	\$5,000
Compensation threshold used to determine a qualifying employee under a SEP plan	\$650	\$750

<b>Traditional deductible IRA income limits — Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers covered by an employer-sponsored plan and filing as:</b>	<b>2022</b>	<b>2023</b>
Single	\$68,000 - \$78,000	\$73,000 - \$83,000
Married filing jointly	\$109,000 - \$129,000	\$116,000 - \$136,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

<b>Traditional deductible IRA income limits — Income phase-out range for determining deductibility of traditional IRA contributions for taxpayers not covered by an employer-sponsored retirement plan but filing a:</b>	<b>2022</b>	<b>2023</b>
Joint return with a spouse who is covered by an employer-sponsored retirement plan	\$204,000 - \$214,000	\$218,000 - \$228,000

<b>Roth IRA compensation limits — Income phase-out range for determining ability to fund Roth IRA for taxpayers filing as:</b>	<b>2022</b>	<b>2023</b>
Single	\$129,000 - \$144,000	\$138,000 - \$153,000
Married filing jointly	\$204,000 - \$214,000	\$218,000 - \$228,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000



## Investment Planning

### Maximum tax on long-term capital gains and qualified dividends

0% rate applies (taxable income thresholds)	2022	2023
Single	Up to \$41,675	Up to \$44,625
Married filing jointly	Up to \$83,350	Up to \$89,250
Married filing separately	Up to \$41,675	Up to \$44,625
Head of household	Up to \$55,800	Up to \$59,750

15% rate applies (taxable income thresholds)	2022	2023
Single	\$41,675 to \$459,750	\$44,625 to \$492,300
Married filing jointly	\$83,350 to \$517,200	\$89,250 to \$553,850
Married filing separately	\$41,675 to \$258,600	\$44,625 to \$276,900
Head of household	\$55,800 to \$488,500	\$59,750 to \$523,050

20% rate applies (taxable income thresholds)	2022	2023
Single	Over \$459,750	Over \$492,300
Married filing jointly	Over \$517,200	Over \$553,850
Married filing separately	Over \$258,600	Over \$276,900
Head of household	Over \$488,500	Over \$523,050

### Unearned income Medicare contribution tax ("net investment income tax")

Amount of tax	2022	2023
Tax percentage	3.80%	3.80%

Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding:	2022	2023
Individuals	\$200,000	\$200,000
Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

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