

## Federal Income Taxes

Over	But not over	Tax +	% on excess	Of the amount over
<b>Single Filers</b>				
\$0	\$10,275	\$0.00	10.0%	\$0
\$10,276	\$41,775	\$1,027.50	12.0%	\$10,275
\$41,776	\$89,075	\$4,807.50	22.0%	\$41,775
\$89,076	\$170,050	\$15,213.50	24.0%	\$89,075
\$170,051	\$215,950	\$34,647.50	32.0%	\$170,050
\$215,981	\$539,900	\$49,335.50	35.0%	\$215,950
\$539,901	∞	\$162,718.00	37.0%	\$539,900

### Married Filing Jointly

\$0	\$20,550	\$0.00	10.0%	\$0
\$20,551	\$83,550	\$2,055.00	12.0%	\$20,550
\$83,551	\$178,150	\$9,615.00	22.0%	\$83,550
\$178,151	\$340,100	\$30,427.00	24.0%	\$178,150
\$340,101	\$431,900	\$69,295.00	32.0%	\$340,100
\$431,901	\$647,850	\$98,671.00	35.0%	\$431,900
\$647,851	∞	\$174,253.50	37.0%	\$647,850

### Married Filing Separately

\$0	\$10,275	\$0.00	10.0%	\$0
\$10,276	\$41,775	\$1,027.50	12.0%	\$10,275
\$41,776	\$89,075	\$4,807.50	22.0%	\$41,775
\$89,076	\$170,050	\$15,213.50	24.0%	\$89,075
\$170,051	\$215,950	\$34,647.50	32.0%	\$170,050
\$215,981	\$323,925	\$49,335.50	35.0%	\$215,950
\$323,926	∞	\$87,126.75	37.0%	\$323,925

### Head of Household

\$0	\$14,650	\$0.00	10.0%	\$0
\$14,651	\$55,900	\$1,465.00	12.0%	\$14,650
\$55,901	\$89,050	\$6,415.00	22.0%	\$55,900
\$89,051	\$170,050	\$13,708.00	24.0%	\$89,050
\$170,051	\$215,950	\$33,148.00	32.0%	\$170,050
\$215,981	\$539,900	\$47,836.00	35.0%	\$215,950
\$539,901	∞	\$161,218.50	37.0%	\$539,900

### Trusts & Estates

\$0	\$2,750	\$0.00	10.0%	\$0
\$2,751	\$9,850	\$275	24.0%	\$2,750
\$9,851	\$13,450	\$1,979	35.0%	\$9,850
\$13,451	∞	\$3,239	37.0%	\$13,450

### Standard Deductions

	2022	2021
Single	\$12,950	\$12,550
Married filing Jointly	\$25,900	\$25,100
Head of Household	\$19,400	\$18,800

Source: IRS.gov

### Maximum Compensation Subject to FICA Taxes

OASDI (Social Security)	\$147,000
HI (Medicare) maximum	No Limit

OASDI and HI tax rate: 12.4% OASDI and 2.9% HI (15.3% combined) for self-employed; 6.2% and 1.45% (7.65% combined) for employees. An additional 0.9% HI tax imposed on individuals with wages or self-employment income in excess of \$200,000 (single and qualifying widow(er)s) or \$250,000 (married/ filing jointly).

### Deduction for State & Local Taxes

Individuals may deduct state and local income (or sales) taxes and real and personal property taxes up to \$10,000 (\$5,000 if married filing separately) in the aggregate.

## Tax on Capital Gains & Qualified Dividends

Single	Married/Filing Jointly/ Qualifying Widower(er)	Tax Rate
\$0 - \$41,675	\$0 - \$83,350	0%
Over \$41,675 but not over \$459,750	Over \$83,350 but not over \$517,200	15%
Over \$459,750	Over \$517,200	20%

Source: IRS Revenue Procedure 2019-44 and the Tax Cuts and Jobs Act of 2017

### Medicare Surtax of 3.8% imposed on net investment if:

Married filing Jointly	MAGI above \$250,000
Married filing Separately	MAGI above \$125,000
Qualifying Widow(er) w/ dep child	MAGI above \$250,000
Estates & Trusts w/undistributed net inv income	MAGI above \$12,750
All other filers	MAGI above \$200,000

Source IRC Section 1411(B)

### Kiddie Tax

Child's unearned income above \$2,300 is generally subject to taxation at the parent's marginal tax rate; unearned income above \$1,150 but not more than \$2,300 is taxed at the child's tax rate.

Applies if either parent of the child is alive at the close of the taxable year, the child does not file a joint return for the taxable year, and the child either (a) has not attained age 18 by close of the year, (b) has attained age 18 before the close of the year, but the child's earned income represents not more than one half of support needs and the child has not attained age 19 by the close of the year, or (c) the child is a full-time student who has not attained age 24 as of the close of the year and the child's earned income represents not more than one-half of support needs.

Preferential rates on long-term capital gains and qualified dividends are applicable; 3.8% federal NII tax is imposed separately on each child if modified AGI exceeds threshold amounts stated above.

### AMT Exemptions

Single	\$75,900
Married filing Jointly & Qualifying Widow(er)s	\$118,100

- Phases out beginning with alternative minimum taxable income over \$1,079,800 (married/filing jointly and qualifying widow(er)s) or \$539,900 (single filers); AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$206,100 (married/filing jointly and qualifying widow(er)s), and single.

### Deduction for Mortgage Interest

- Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits
- Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence

### Child Tax Credit

- \$2,000 per "qualifying child" (who has not attained age 17 during the year); phased out as modified AGI exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,500 per child is refundable
- \$500 nonrefundable credit for qualified dependents other than qualifying children (with some modified AGI phaseouts)

### Business Income Taxes

C Corporations	
Taxable Net Income	21% Tax Rate

S Corporations & LLCs	
Taxable K-1 Pass-Through Income to Shareholders	Individual Tax Rates

- "Qualified Business Income" is eligible for a 20% K-1 Deduction (ie. 37% bracket 29.6% net marginal rate)
- Generally, "Specified Service Businesses are not eligible for a 20% K-1 Deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds.
- Deduction generally not available for a Specified Service Trade or Business (SSTB) if taxable income exceeds certain thresholds.

## Retirement Plans

IRA Annual Contribution Limit		
	2022	2021
Contribution Limit	\$6,000	\$6,000
50+ Catch-up	\$1,000	\$1,000

Traditional IRA Deductibility Phase-Out Based on MAGI		
Participants in Employers Plans	2022	2021
Married filing jointly or qualifying widow(er)	\$109,000 - \$129,000	\$105,000 - \$125,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000
Single or Head of Household	\$68,000 - \$78,000	\$66,000 - \$76,000
Nonparticipant married to participant		
Married Filing Jointly	\$204,000 - \$214,000	\$198,000 - \$208,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

Roth IRA Phase-Out Based on MAGI		
	2022	2021
Married filing jointly or qualifying widow(er)	\$204,000 - \$214,000	\$198,000 - \$208,000
Married filing separately and lived with your spouse	\$0 - \$10,000	\$0 - \$10,000
Single or Head of Household, or Married Filing Separately and lived apart from your spouse	\$129,000 - \$144,000	\$125,000 - \$140,000

Source: IRS.gov

SEP IRA & Simple IRA Contribution Limits		
	2022	2021
Maximum annual additions to a SEP IRA	\$61,000	\$58,000
Maximum compensation considered for a SEP IRA	\$305,000	\$290,000
SIMPLE IRA salary deferral amount	\$14,000	\$13,500
50+ Catch-up	\$3,000	\$3,000

Source: IRS.gov

Qualified Plans		
	2022	2021
401(k), 403(b), 457(b) salary deferral <sup>1</sup>	\$20,500	\$19,500
50+ Catch-up	\$6,500	\$6,500
SIMPLE IRA salary deferral amount	\$14,000	\$13,500
SIMPLE Salary deferral 50+ Catch-up	\$3,000	\$3,000
Maximum annual additions in a defined contribution plan	\$61,000	\$58,000
Maximum Annual benefit in defined benefit plan	\$245,000	\$235,000
Maximum compensation considered	\$305,000	\$290,000
Highly compensated employee	\$135,000	\$130,000
Key employee - Officer	\$200,000	\$185,000

<sup>1</sup> Special catch-up rules applies to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years before retirement.

Source: IRS News Release IR-2015-118

Modified AGI Phase-outs - American Opportunity Tax Credit	
Married / Filing Jointly	\$160,001 - \$179,999
Others	\$80,001 - \$89,999

Modified AGI Phase-outs - Lifetime Learning Credit	
Married / Filing Jointly	\$160,001 - \$179,999
Others	\$80,001 - \$89,999

Source: IRS.gov

## Healthcare

Deduction for Long-Term Care Insurance Premiums				
Age 40 or Less	Age > 40, ≤ 50	Age > 50, ≤ 60	Age > 60, ≤ 70	Age over 70
\$450	\$850	\$1,690	\$4,510	\$5,640

Health Savings Accounts		
Contribution Limits	2022	2021
Single	\$3,650	\$3,600
Family	\$7,300	\$7,200
Age 55+ Catch-up	\$1,000	\$1,000

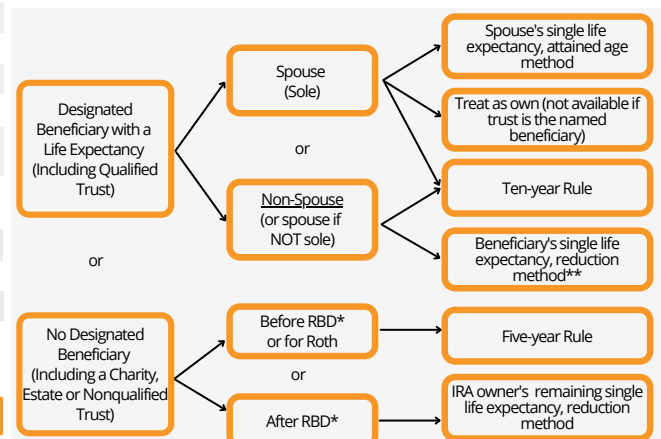
High Deductible Health Plans		
Minimum Deductible - Single	\$1,400	\$1,400
Minimum Deductible - Family	\$2,800	\$2,800
Maximum Out of Pocket - Single	\$7,050	\$7,000
Maximum Out of Pocket - Family	\$14,100	\$14,000

Source: healthsavings.com/irs-2022

## Uniform Lifetime Table

Age	Divisor Balance	% Account	Age	Divisor Balance	% Account
70	29.1	3.44	86	15.2	6.58
71	28.2	3.55	87	14.4	6.95
72	27.4	3.65	88	13.7	7.30
73	26.5	3.78	89	12.9	7.76
74	25.5	3.93	90	12.2	8.20
75	24.6	4.07	91	11.5	8.70
76	23.7	4.22	92	10.8	9.26
77	22.9	4.38	93	10.1	9.91
78	22.0	4.55	94	9.5	10.53
79	21.1	4.74	95	8.9	11.24
80	20.2	4.96	96	8.4	11.91
81	19.4	5.16	97	7.8	12.83
82	18.5	5.41	98	7.3	13.70
83	17.7	5.65	99	6.8	14.71
84	16.8	5.96	100	6.4	15.63
85	16.0	6.25	101	6.0	16.67

## IRA Beneficiary Options



\* RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or SIMPLE IRA holder reached age 72). Change in required beginning date (RBD) for required minimum distributions (RMDs) made pursuant to the terms of the SECURE Act, effective 1/1/2020.

\*\* Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child's age of majority), disabled, chronically ill or not more than 10 years younger than the deceased IRA owner.

## Social Security

Taxable Wage Base	2022	2021
Social Security (OASDI)	\$147,000	\$142,800
Medicare (HI only)	No Limit	No Limit
Quarter of Coverage	\$1,510	\$1,470

### Retirement Earning Test

<b>Under full retirement age</b>	\$19,560/yr. (\$1,630/mo.)	\$18,960/yr. (\$1,580/mo.)
----------------------------------	-------------------------------	-------------------------------

Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit

<b>Year reaching full retirement age</b>	\$51,960/yr.	\$50,520/yr.
--	--------------	--------------

Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit

### Taxability of Benefits (Based on Provisional Income)

	Individual	Married filing jointly
Not taxable	Less than \$25,000	Less than \$32,000
Up to 50% taxable	\$25,000 - \$34,000	\$32,000 - \$44,000
Up to 85% taxable	Greater than \$34,000	Greater than \$44,000

### Married filing Separately

Up to 85% of benefits are taxable

**Provision Income = Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefit**

### Age to receive full benefits

Year of birth	Full retirement age	% reduced at age 62
1943 - 1954	66	25.00%
1955	66 and 2 months	25.83%
1956	66 and 4 months	26.67%
1957	66 and 6 months	27.50%
1958	66 and 8 months	28.33%
1959	66 and 10 months	29.17%
1960	67	30.00%

### Delayed retirement credits

Year of birth	Yearly rate of increase
1943 or later	8.00%

Accrues when you reach full retirement age until you start receiving benefits or reach age 70.

Source: Social Security Administration website, SSA.gov.

## Gift & Estate Tax

### Taxes for Gifts & Estates

	2022	2021
Annual Gift Exclusion	\$16,000	\$15,000
Unified Credit Amount	\$12,060,000	\$11,700,000
Gift to non-citizen spouse	\$164,000	\$159,000
Highest estate Tax Bracket	40%	40%

Source: IRS Revenue Procedure 2019-44 and the Tax Cuts and Jobs Act of 2017

### States Estate & Inheritance Tax

States with State Estate Tax: CT, DDC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA

States with Inheritance Tax: IA, KY, NE, PA, NJ, MD

### Death/Gifts Occurring in 2022\*

Subtract applicable credit from calculated tax)

If gift/gross estate is over	But not over	The tax is	Of the 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

\* Annual gift tax exclusion: individual, \$16,000; married electing split gifts, \$32,000. Combined lifetime gift tax and gross estate tax exemption: \$12,060,000. GST tax exemption: \$12,060,000.

Sources: IRS and Social Security Administration updates 2022.

## Charitable Contribution Deductions

Type of Property Contributed	Deemed Amount of Contribution	Percentage Limitation <sup>1</sup>	
		2022	2021
Cash	Actual dollar amount	100%	60%
Appreciated ordinary income property <sup>2</sup> or appreciated short-term capital gain property <sup>3</sup>	Donor's tax basis	50%	50%
Appreciated long-term capital gain property <sup>4</sup>			
(a) General rule	Fair market value	30%	30%
(b) Election made to reduce amount of contribution	Donor's tax basis	50%	50%
(c) Tangible personal property put to unrelated use by donee charity	Donor's tax basis	50%	50%

<sup>1</sup> The applicable "percentage limitation" applies to the donor's contribution base, which is the donor's adjusted gross income (AGI) determined without regard to any net operating loss carryback. The limitation is applied on an annual basis. Any deductible contributions that exceed the current year's limitations may be carried over and deducted in the five succeeding tax years, subject to the percentage limitations in those years.

<sup>2</sup> "Ordinary income property" is property that would produce ordinary income if sold by the individual.

<sup>3</sup> "Short-term capital gain property" is property that would produce short-term capital gain if sold by the individual.

<sup>4</sup> "Long-term capital gain property" is property that would produce long-term capital gain if sold by the individual.

Sources: IRS and Social Security Administration updates 2022.