

2017: Quick Tax Reference

(subject to change—for 2017 tax returns)

Itemized Deductions. The limitation for itemized deductions to be claimed on tax year 2017 returns of individuals begins with incomes of \$261,500 or more (\$313,800 for married couples filing jointly).

Personal Exemptions. The personal exemption for tax year 2017 remains at \$4,050. The personal exemption for tax year 2017 remains at \$4,050. However, the exemption is subject to a phase-out that begins with adjusted gross incomes of \$261,500 (\$313,800 for married couples filing jointly). It phases out completely at \$384,000 (\$436,300 for married couples filing jointly.)

Standard deduction. For single taxpayers and married couples filing separately is \$6,350 in 2017, up from \$6,300 in 2016; for married couples filing jointly, the standard deduction is \$12,700, up \$100 from the prior year; and for heads of households, the standard deduction is \$9,350 for 2017, up from \$9,300. For 2017, the additional standard deduction amount for the aged or the blind is \$1,250. The additional standard deduction amount is increased to \$1,550 if the individual is also unmarried and not a surviving spouse.

Earned Income Tax Credit (EITC). The tax year 2017 maximum Earned Income Credit amount is \$6,318 for taxpayers filing jointly who have 3 or more qualifying children. The revenue procedure has a table providing maximum credit amounts for other categories, income thresholds and phase-outs.

Child Tax Credit. For taxable years beginning in 2017, the value used to determine the amount of credit that may be refundable is \$3,000 (the credit amount has not changed).

Kiddie Tax. For 2017, the threshold for the kiddie tax – meaning the amount a child can take home without paying any federal income tax – \$1,050.

Adoption Credit. For 2017, the credit allowed for an adoption of a child with special needs is \$13,570, and the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to \$13,570. Phaseouts do apply beginning at taxpayers with modified adjusted gross income (MAGI) in excess of \$203,540 and completely phased out for taxpayers with MAGI of \$243,540 or more.

Hope Scholarship Credit. The Hope Scholarship Credit for 2017 will remain an amount equal to 100% of qualified tuition and related expenses not in excess of \$2,000 plus 25% of those expenses in excess of \$2,000 but not in excess of \$4,000. That means that the maximum Hope Scholarship Credit allowable for 2017 is \$2,500.

Lifetime Learning Credit. As with the Hope Scholarship Credit, income restrictions apply to the Lifetime Learning Credit. For 2017, the adjusted gross income amount used to determine the reduction in the Lifetime Learning Credit is \$56,000 (\$112,000 for joint filers).

Medical Savings Accounts. For 2017, the term “high deductible health plan” means, for participants who have self-only coverage in a Medical Savings Account, an annual deductible that is not less than \$2,250 but not more than \$3,350. For self-only coverage, the maximum out of pocket expense amount is \$4,500. For 2017, the term “high deductible health plan” means, for participants with family coverage, an annual deductible that is not less than \$4,500 but not more than \$6,700. For family coverage, the maximum out of pocket expense is \$8,250.

Individual Retirement Account Contributions. The \$5,500 limit on IRA contributions remains the same in 2017 (catch up is still \$1,000).

Federal Estate Tax Exemption. Estates of decedents who die during 2017 have a basic exclusion amount of \$5,490,000.

Federal Gift Tax Exclusion. The annual exclusion for gifts remains at \$14,000 for 2017.

FICA (Social Security)
Maximum Taxable Earnings...\$127,200
Employee/Employer Deduction...6.20%
Self-Employment Tax...12.40%

FICA (Medicare)
Maximum Taxable Earnings...No Limit
Employee/Employer Deduction...1.45%
Self-Employment Tax...2.90%

Medicare Surcharge
Married Filing Jointly...\$250,000
Married Filing Single...\$125,000
Single...\$200,000
Head of Household...\$200,000
Qualified Widow(er)...\$200,000
(additional 0.09% for Medicare > wages exceed)

FUTA (Employer-paid) SUBJECT TO CHANGE
Maximum 2017 Taxable Earnings...\$7,000 (\$40,000 proposed)
Percent of Taxable Wages...6.00%
Maximum Credit...5.10%
Normal Net Tax...0.09%

IRS Mileage Rates. Beginning on Jan. 1, 2017, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:
•\$0.535 cents per mile for business miles driven
•\$0.17 cents per mile driven for medical or moving purposes
•\$0.14 cents per mile driven in service of charitable organizations

PA State Income Tax
Wage Withholding...3.07%

Plan Type	2017
IRAs	
IRA Contribution Limit	5,500
IRA Catch-Up Contributions	1,000
IRA AGI Deduction Phase-out Starting at	
Joint Return	99,000
Single or Head of Household	62,000
SEP	
SEP Minimum Compensation	600
SEP Maximum Contribution	54,000
SEP Maximum Compensation	270,000
SIMPLE Plans	
SIMPLE Maximum Contributions	12,500
Catch-up Contributions	3,000
401(k), 403(b), Profit-Sharing Plans, etc.	
Annual Compensation	270,000
Elective Deferrals	18,000
Catch-up Contributions	6,000
Defined Contribution Limits	54,000



Kaminski & Co.



2016: Quick Tax Reference

(for 2016 tax returns)

Itemized Deductions. The limitation for itemized deductions to be claimed on tax year 2016 returns of individuals begins with incomes of \$258,250 or more (\$309,900 for married couples filing jointly).

Personal Exemptions. The personal exemption for tax year 2016 rises \$50 to \$4,050, up from the 2015 exemption of \$4,000. However, the exemption is subject to a phase-out that begins with adjusted gross incomes of \$259,400 (\$311,300 for married couples filing jointly). It phases out completely at \$381,900 (\$433,800 for married couples filing jointly.)

Standard deduction. For single taxpayers and married couples filing separately is \$6,300 in 2016 (for married couples filing jointly, the standard deduction is \$12,600). For heads of households, the standard deduction is \$9,300 for 2016. For 2016, the additional standard deduction amount for the aged or the blind is \$1,250. The additional standard deduction amount is \$1,550 if the individual is also unmarried and not a surviving spouse.

Earned Income Tax Credit (EITC). The tax year 2016 maximum Earned Income Credit amount is \$6,269 for taxpayers filing jointly who have 3 or more qualifying children, up from a total of \$6,242 for tax year 2015. The revenue procedure has a table providing maximum credit amounts for other categories, income thresholds and phase-outs.

Child Tax Credit. For taxable years beginning in 2016, the value used to determine the amount of credit that may be refundable is \$3,000 (the credit amount has not changed).

Kiddie Tax. Applies to unearned income for children under the age of 19 and college students under the age of 24. For 2016, the threshold for the kiddie tax – meaning the amount of unearned net income that a child can take home without paying any federal income tax – is \$1,050. All unearned income in excess of \$2,100 is taxed at the parent's tax rate.

Adoption Credit. For taxable years beginning in 2016, the credit allowed for an adoption of a child with special needs is \$13,460. For taxable years beginning in 2016, the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to \$13,460. The available adoption credit begins to phase out for taxpayers with modified adjusted gross income in excess of \$201,920 and is completely phased out for taxpayers with modified adjusted gross income of \$241,920 or more.

Hope Scholarship Credit. The Hope Scholarship Credit for 2016 will remain an amount equal to 100% of qualified tuition and related expenses not in excess of \$2,000 plus 25% of those expenses in excess of \$2,000 but not in excess of \$4,000. That means that the maximum Hope Scholarship Credit allowable for 2016 is \$2,500. Income restrictions do apply and for 2016, those kick in for taxpayers with modified adjusted gross income (MAGI) in excess of \$80,000 (\$160,000 for a joint return).

Lifetime Learning Credit. As with the Hope Scholarship Credit, income restrictions apply to the Lifetime Learning Credit. For 2016, the adjusted gross income amount used by joint filers to determine the reduction in the Lifetime Learning Credit is \$111,000, up from \$110,000 for tax year 2015.

Individual Retirement Account Contributions. The \$5,500 limit on IRA contributions remains the same in 2016 (\$1,000 additional for 50 or over).

Federal Estate Tax Exemption. Estates of decedents who die during 2016 have a basic exclusion amount of \$5,450,000.

Federal Gift Tax Exclusion. The annual exclusion for gifts remains at \$14,000 for 2016.

FICA (Social Security)
Maximum Taxable Earnings...\$118,500
Employee/Employer Deduction...6.20%
Self-Employment Tax...12.40%

FICA (Medicare)
Maximum Taxable Earnings...No Limit
Employee/Employer Deduction...1.45%
Self-Employment Tax...2.90%

Medicare Surcharge
Married Filing Jointly...\$250,000
Married Filing Single...\$125,000
Single...\$200,000
Head of Household...\$200,000
Qualified Widow(er)...\$200,000
(additional 0.09% for Medicare > wages exceed)

FUTA (Employer-paid)
Maximum 2016 Taxable Earnings...\$7,000
Percent of Taxable Wages...6.00%
Maximum Credit...5.10%
Normal Net Tax...0.09%

IRS Mileage Rates. Beginning on Jan. 1, 2016, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:
-56 cents per mile for business miles driven
-23.5 cents per mile driven for medical or moving purposes
-14 cents per mile driven in service of charitable organizations

PA State Income Tax
Wage Withholding...3.07%

Plan Type	2016
IRAs	
IRA Contribution Limit	5,500
IRA Catch-Up Contributions	1,000
IRA AGI Deduction Phase-out Starting at	
Joint Return	98,000
Single or Head of Household	61,000
SEP	
SEP Minimum Compensation	600
SEP Maximum Contribution	53,000
SEP Maximum Compensation	265,000
SIMPLE Plans	
SIMPLE Maximum Contributions	12,500
Catch-up Contributions	3,000
401(k), 403(b), Profit-Sharing Plans, etc.	
Annual Compensation	265,000
Elective Deferrals	18,000
Catch-up Contributions	6,000
Defined Contribution Limits	53,000



Kaminski & Co.

