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Filing Season Quick Guide—Tax Year 2013

Single Taxpayers

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$8,925	10%		\$0
\$8,925	\$36,250	\$892.50	15%	\$8,925
\$36,250	\$87,850	\$4,991.25	25%	\$36,250
\$87,850	\$183,250	\$17,891.25	28%	\$87,850
\$183,250	\$398,350	\$44,603.25	33%	\$183,250
\$398,350	\$400,000	\$115,586.25	35%	\$398,350
\$400,000		\$116,163.75	39.6%	\$400,000

Married Taxpayers Filing Joint Returns and Surviving Spouses

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$17,850	10%		\$0
\$17,850	\$72,500	\$1,785	15%	\$17,850
\$72,500	\$146,400	\$9,982.50	25%	\$72,500
\$146,400	\$223,050	\$28,475.50	28%	\$146,400
\$223,050	\$398,350	\$49,919.50	33%	\$223,050
\$398,350	\$450,000	\$107,768.50	35%	\$398,350
\$450,000		\$125,846	39.6%	\$450,000

Married Taxpayers Filing Separate Returns

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$8,925	10%		\$0
\$8,925	\$36,250	\$892.50	15%	\$8,925
\$36,250	\$73,200	\$4,991.25	25%	\$36,250
\$73,200	\$111,525	\$14,228.75	28%	\$73,200
\$111,525	\$199,175	\$24,959.75	33%	\$111,525
\$199,175	\$225,000	\$53,884.25	35%	\$199,175
\$225,000		\$62,923	39.6%	\$225,000

Heads of Household

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$12,750	10%		\$0
\$12,750	\$48,600	\$1,275	15%	\$12,750
\$48,600	\$125,450	\$6,652.50	25%	\$48,600
\$125,450	\$203,150	\$25,865	28%	\$125,450
\$203,150	\$398,350	\$47,621	33%	\$203,150
\$398,350	\$425,000	\$112,037	35%	\$398,350
\$425,000		\$121,364.50	39.6%	\$425,000

Trusts and Estates

If Taxable Income Is Over	But Not Over	Tax Is	Plus	Of the Amount Over
\$0	\$2,450	15%		\$0
\$2,450	\$5,700	\$367.50	25%	\$2,450
\$5,700	\$8,750	\$1,180	28%	\$5,700
\$8,750	\$11,950	\$2,034	33%	\$8,750
\$11,950		\$3,090	39.6%	\$11,950

Gains Rates

- Long-term capital gain rates: Zero for gains that would otherwise be taxed at the 10% or 15% rates; 15% for gains that would be taxed at the 25%, 28%, 33%, or 35% rates; and 20% for gains that would be taxed at the 39.6% rate.
- Unrecaptured Sec. 1250 gain: 25% maximum.
- Collectibles: 28% maximum.

3.8% Net Investment Income Tax

3.8% of the lesser of (1) net investment income or (2) the amount of modified adjusted gross income (MAGI) over these thresholds:

- Single: \$200,000.
- Married filing jointly and surviving spouses: \$250,000.
- Married filing separately: \$125,000.
- Heads of household: \$200,000.

Kiddie Tax

- Parent's highest rate applies to child's unearned income over \$2,000.

EVERYDAY EXCEPTIONAL

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Self-Employment Tax

- Tax rate: 15.3% (12.4% OASDI tax plus 2.9% Medicare tax).
- Surtax: 0.9% Medicare surtax is added to self-employment income in excess of \$200,000 (single), \$250,000 (married filing jointly), or \$125,000 (married filing separately).
- Wage base: \$113,700 of self-employment income for OASDI (maximum OASDI tax \$14,098.80; no ceiling on Medicare tax).

Personal Exemption

\$3,900

Phaseouts:

- Single: \$250,000 to \$372,500.
- Married filing jointly and surviving spouses: \$300,000 to \$422,500.
- Married filing separately: \$150,000 to \$211,250.
- Heads of household: \$275,000 to \$397,500.

Standard Deduction

- Single: \$6,100.
- Married filing jointly and surviving spouses: \$12,200.
- Married filing separately: \$6,100 (\$0 if spouse itemizes deductions).
- Heads of household: \$8,950.

Additional standard deduction for 65+ and blind taxpayers:

- Single: \$1,500.
- Married filing jointly and surviving spouses: \$1,200.
- Heads of household: \$1,500.

Standard deduction for individuals who can be claimed as dependents cannot exceed the lesser of (1) \$6,100 or (2) the greater of \$1,000 or \$350 plus the individual's earned income.

Itemized Deductions

If taxpayer's adjusted gross income (AGI) exceeds the applicable amount for his or her filing status, certain otherwise allowable itemized deductions are reduced by the lesser of 3% of excess of AGI over the applicable amount or 80% of itemized deductions otherwise allowable for the tax year.

Applicable amounts for reduction of otherwise allowable itemized deductions:

- Single: \$250,000.
- Married filing jointly and surviving spouses: \$300,000.
- Married filing separately: \$150,000.
- Heads of household: \$275,000.

Standard Mileage Rate

- Business: 56.5¢ per mile.
- Medical and moving: 24¢.
- Charitable services: 14¢.
- For business autos for which the optional business standard mileage rate is used, depreciation is considered to have been allowed at 23¢ per mile.

Tax Credits

- **Earned income:** 45% (for families with three or more qualifying children).
- **Child:** \$1,000 per qualifying child under 17. Refundable to the extent of 15% of the taxpayer's earned income in excess of \$3,000; qualifying child must be the taxpayer's dependent. Phases out with MAGI above \$75,000 (\$110,000 for married filing jointly, \$55,000 for married filing separately).
- **Adoption expense:** \$12,970 maximum. Phases out with MAGI between \$194,580 and \$234,580.
- **Child and dependent care:** 35% of employment-related expenses (up to \$3,000 in expenses for one qualifying individual or \$6,000 for two or more qualifying individuals), credit decreases by 1% for each \$2,000 of AGI over \$15,000, down to 20%.
- **American opportunity:** \$2,500 per year (100% of the first \$2,000 of qualifying expenses and 25% of the next \$2,000), with 40% of the credit refundable. Phases out for taxpayers with MAGIs between \$80,000 and \$90,000 (\$160,000 and \$180,000 for married filing jointly).
- **Lifetime learning:** 20% of up to \$10,000 of qualified tuition and related expenses, up to \$2,000 maximum. Phases out between \$53,000 and \$63,000 MAGI for single filers, and \$107,000 to \$127,000 for married filing jointly.
- **Sec. 25C nonbusiness energy property:** Sum of 10% of qualified en-

ergy-efficiency improvements plus residential energy property expenditures, up to \$500 maximum aggregate credit for years after 2005.

- **Sec. 25D residential energy-efficient property credit:** 30% of amount paid for qualifying property (for qualified fuel cell property maximum credit of \$500 for each 0.5 kilowatt of capacity).

- **Small business health insurance credit:** 35% of amount of non-elective contributions an eligible small business makes on behalf of its employees for premiums for health insurance (25% credit against payroll tax for tax-exempt entities). Phases out for employers with between 10 and 25 full-time-equivalent employees and average annual wages of between \$25,000 and \$50,000.

Saver's Credit Applicable Percentages

Filing Status	AGI	Applicable Percentage
Married filing jointly	\$0 to \$35,500	50%
	\$35,501 to \$38,500	20%
	\$38,501 to \$59,000	10%
Heads of household	\$0 to \$26,625	50%
	\$26,626 to \$28,875	20%
	\$28,876 to \$44,250	10%
All other filers	\$0 to \$17,750	50%
	\$17,751 to \$19,250	20%
	\$19,251 to \$29,500	10%

Sec. 179 and Bonus Depreciation

- Sec. 179 expense deduction: \$500,000, with \$2 million threshold limit.
- Sec. 168(k) bonus depreciation: Additional 50% first-year depreciation for qualifying property.

Retirement Plan Limits

- Maximum 401(k) plan elective deferral: \$17,500 (plus \$5,500 catch-up for age 50+).
- Defined benefit plan maximum benefit: \$205,000 (may be reduced based on participant's age, average compensation, or length of plan participation).
- Defined contribution plan contribution limit: \$51,000 or 100% of compensation, whichever is less.
- IRA contribution limit: \$5,500 (plus \$1,000 catch-up for age 50+).
- IRA deduction phaseout: MAGI from \$95,000 to \$115,000 (married filing jointly); \$59,000 to \$69,000 (single and heads of household); \$0 to \$10,000 (married filing separately); \$178,000 to \$188,000 (nonactive participant whose spouse is an active plan participant).
- Roth IRA contribution limit: \$5,500 (plus \$1,000 catch-up for age 50+).
- Roth IRA contribution limit phaseout (MAGI): \$178,000 to \$188,000 (married filing jointly); \$112,000 to \$127,000 (single and heads of household); \$0 to \$10,000 (married filing separately).
- SEP minimum required compensation: \$550; discriminatory contribution test amount: \$255,000.

Estates and Gifts

- Per-donee gift tax exclusion: \$14,000.
- Exclusion for transfers to noncitizen spouse: \$143,000.
- Gift/estate tax exclusion: \$5.25 million; estate of spouse dying after 2010 may pass unused portion of exclusion to surviving spouse.

Alternative Minimum Tax

Filing Status or Entity	AMT Exemption Amount	AMTI Phaseout of Exemption*
Married filing jointly and surviving spouses	\$80,800	\$153,900 to \$477,100
Single and heads of household	\$51,900	\$115,400 to \$323,000
Married filing separately	\$40,400	\$76,950 to \$238,550
Estates and trusts	\$23,100	\$76,950 to \$169,350
Corporations	\$40,000	\$150,000 to \$310,000

* At 25% of AMTI above phaseout threshold