

BUSINESS

2016 Corporate Tax Rates

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	15.00%
\$50,000	\$7,500.00	25.00%
75,000	13,750.00	34.00%
100,000	22,250.00	39.00%
335,000	113,900.00	34.00%
10,000,000	3,400,000.00	35.00%
15,000,000	5,150,000.00	38.00%
18,333,333	6,416,667.00	35.00%

Capital Gains Tax Rate: Same as regular tax rate up to 35%
 Personal Service Corporations: 35% flat tax rate

Alternative Minimum Tax (AMT)

Tax Rate: 20% of AMT
 Exemption Amount: \$40,000*
 *Phased out for AMT income above \$150,000

DEPRECIATION

Luxury Vehicles Under 6,000 Pounds

Maximum depreciation for vehicles purchased in 2016-where the additional first-year deduction does not apply:

	Light Trucks & Vans	Autos
Year placed in service	\$3,560	\$3,160
2nd tax year	\$5,700	\$5,100
3rd tax year	\$3,350	\$3,050
Each succeeding year	\$2,075	\$1,875

Maximum depreciation for vehicles purchased in 2016-where the additional first-year deduction does apply:

	Light Trucks & Vans	Autos
Year placed in service	\$11,560	\$11,160
2nd tax year	\$5,700	\$5,100
3rd tax year	\$3,350	\$3,050
Each succeeding year	\$2,075	\$1,875

Ceilings are based upon 100% business use.

Section 179

Section 179 is \$500,000, (\$2,010,000 qualifying property) for 2016 and it is \$510,000, (\$2,030,000 qualifying property) for 2017. There is a \$25,000 limitation on sport utility vehicles.

Special (Bonus) Depreciation

Qualified new property - Allowance is 50% if placed in service after Dec. 31, 2014 and before Jan. 1, 2018. For qualified property placed in service in 2018, the allowance is 40%. For qualified property placed in service in 2019, the allowance is 30%.

ESTATE

2016 Estate and Trust Income Tax Rates

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	15.00%
\$2,550	\$382.50	25.00%
5,950	1,232.50	28.00%
9,050	2,100.50	33.00%
12,400	3,206.00	39.60%

Unified Credit Exemption Equivalent

	Estate	Gift
2016	\$5,450,000	\$5,450,000
2017	\$5,490,000	\$5,490,000

Annual Gift Tax Exclusion for 2016 and 2017 is \$14,000.

GENERAL

Standard Mileage Deduction

Use	2016	2017
Business	\$0.54	\$0.535
Charitable	0.14	0.14
Medical/Moving	0.19	0.17

Self Employed Health Insurance

SE Health Insurance Deduction is 100%

2016-2017 Per Diem Rates

	Post 09/30/16 Low Cost Area	Post 09/30/16 High Cost Area
Lodging	\$132	\$214
Meals & IE	\$57	\$68

IRS Notice 2015-63

Health Savings Account

	2016	2017
Family	\$6,750	\$6,750
Self	\$3,350	\$3,400

*Catch up 55 and older is \$1,000

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2016-2017 Pocket Tax Guide



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INDIVIDUALS

2016 Individual Income Tax Rates

Regular Tax - Married Filing Joint

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$18,550	\$1,855.00	15.00%
75,300	10,367.50	25.00%
151,900	29,517.50	28.00%
231,450	51,791.50	33.00%
413,350	111,818.50	35.00%
466,950	130,578.50	39.60%

Regular Tax - Single

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$9,275	\$927.50	15.00%
37,650	5,183.75	25.00%
91,150	18,558.75	28.00%
190,150	46,278.75	33.00%
413,350	119,934.75	35.00%
415,050	120,529.75	39.60%

2017 Individual Income Tax Rates

Regular Tax - Married Filing Joint

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$18,650	\$1,865.00	15.00%
75,900	10,452.50	25.00%
153,100	29,752.50	28.00%
233,350	52,222.50	33.00%
416,700	112,728.00	35.00%
470,700	131,268.00	39.60%

Regular Tax - Single

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$9,325	\$932.50	15.00%
37,950	5,226.25	25.00%
91,900	18,713.75	28.00%
191,650	46,643.75	33.00%
416,700	120,910.25	35.00%
418,400	121,505.25	39.60%

Long Term Capital Gains & Qualified Dividends

Transaction	Asset Held Over	Taxpayer's Ordinary Rate		
		10-15%	25-35%	39.6%
Capital Gain	12 months	0%	15%	20%
Unrecaptured Section 1250 gain	12 months	10-15%	25%	25%
Qualified Dividend	N/A	0%	15%	20%

Note: An additional tax of 3.8% will apply to net investment income for incomes above \$250,000 for married filing joint or \$200,000 for single.

Standard Deduction	2016	2017
Married Filing Joint	\$12,600	\$12,700
Single	6,300	6,350
Head of Household	9,300	9,350
Married Filing Separately	6,300	6,350

Additional Blind or Elderly	2016	2017
Single & HOH	\$1,550	\$1,550
Married	1,250	1,250
Claimed as dependent of another: (has earned income, the standard deduction is the greater of this amount, or \$350 plus the earned income but no more than the standard deduction).	1,050	1,050

Itemized Deduction Phase-out	2016	2017
3% of AGI in excess (but not more than 80% of eligible itemized deductions)		
Married Filing Joint	\$311,300	\$313,800
Single	259,400	261,500
Head of Household	285,350	287,650
Married Filing Separately	155,650	156,900

Personal Exemptions	2016	2017
Deductions for each	\$4,050	\$4,050
Personal exemption phase-out 2% for each \$2,500 of AGI in excess of:		
Married Filing Joint	\$311,300	\$313,800
Single	259,400	261,500
Head of Household	285,350	287,650
Married Filing Separately	155,650	156,900

Child Tax Credit

2016 and 2017 child credit of \$1,000 per child under age 17.

Phase out for 2016 and 2017 begins when AGI reaches \$110,000 for joint filers, \$75,000 for single/head of household filers, and \$55,000 for married filing separately.

Kiddie Tax

Kiddie Tax applies to unearned income in excess of \$2,100 for 2016 and \$2,100 for 2017 and applies to a child who has attained age 18 or is a full-time student and has not attained age 24 and whose earned income does not exceed half of their support.

Estimated Tax Payments

To avoid possible underpayment penalties, you are generally required to pay in through withholding or estimated tax payments the lesser of: 100% of prior year tax liability or 90% of current year tax liability.

2017 taxpayers with 2016 AGI greater than \$150,000 (\$75,000 for married filing separate) must pay the lesser of: 110% of prior year tax liability or 90% of current year tax liability.

2017 estimated tax payments for individuals are due by:

4/18/2017	9/15/2017
6/15/2017	1/16/2018

Alternative Minimum Tax (AMT)

Tax Rate	26% to \$187,800
	28% over \$187,800

Exemption Amounts	2016	Phase-out	2017	Phase-out
Single/Head of Household	\$53,900	\$119,700	\$54,300	\$120,700
Married Filing Joint	83,800	159,700	84,500	160,900
Married Filing Separately	41,900	79,850	42,250	80,450

Savings Incentive Match Plan for Employees (SIMPLE)

	2016	2017
Employee Contribution Limit	\$12,500	\$12,500
50 or older	+3,000	+3,000
Employer Contribution Limit	3% match	3% match
or 2% non-elective contribution		

Individual Limits

Annual Compensation Limits	\$265,000	\$270,000
401(k) Contributions	18,000	18,000
Profit Sharing Plan-Corp.*	53,000	54,000
Money Purchase Plan-Corp.*	53,000	54,000
Profit Sharing Plan-SE**	53,000	54,000
Money Purchase Plan-SE**	53,000	54,000
SEP	53,000	54,000

*\$6,000 catch-up contribution allowed for individuals age 50 and older in 2016 and 2017

**Limited to 100% of compensation

Plan Deduction Limitations

	Profit Sharing	Money Purchase
Corporate	25%	25%
Self-employed (SE)	20%	20%
SEP-Corporate	25%	N/A
SEP-SE	20%	N/A

Individual Retirement Accounts

Not a participant in another plan:

2016 - \$5,500, max for non-working spouse
2017 - \$5,500, max for non-working spouse

Active participant in another plan:

Married AGI	2016	2017	Deduction
\$0-97,999	\$0-97,999	\$0-98,999	\$5,500 for 2016 and 2017
\$98,000-118,000	\$99,000-119,000	\$99,000-119,000	Phase-out**
\$184,000-194,000	\$186,000-196,000	\$186,000-196,000	Phase-out for non-active spouse/participant

Single AGI

2016	2017	Deduction
\$0-60,999	\$0-61,999	\$5,500 for 2016 and 2017
\$61,000-71,000	\$62,000-72,000	Phase-out
*\$1,000 catch-up contribution for individuals age 50 and older for 2016 and 2017.		
**Phase-out only for spouse who is active participant.		

Roth IRA Eligibility

	AGI 2016	AGI 2017
Single/Head of Household	\$117,000-132,000	\$118,000-133,000
Married Filing Joint	\$184,000-194,000	\$186,000-196,000
Married Filing Separately	\$0-10,000	\$0-10,000
Rollover of regular IRA to ROTH IRA	No Limit	No Limit

Social Security Information

	2016	2017
Social Security Base	\$118,500	\$127,200
Medicare Base	unlimited	unlimited
Social Security Tax Rate	6.20%	6.20%
Medicare Tax Rate*	1.45%	1.45%
Max Social Security Tax	\$7,347.00	\$7,886.40

*Additional 0.9% Medicare tax in excess \$200,000 (\$250,000 married)

Medicare Part B Premium:

Per Month*	\$121.80*	\$134.00*
Per Year	1,461.60*	1,608.00*

Annual Earnings

4 Quarters Coverage	\$5,040.00	\$5,200.00
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*Larger premium for taxpayers with AGI above certain levels starting at \$170,001 for joint filers & \$85,001 for singles.

Maximum Annual Earned Income Limited:

Ages 62-64 (lose \$1 for \$2)	\$15,720	\$16,920
In year you reach full retirement age (lose \$1 for \$3)	\$3,490/month	\$3,740/month
Full retirement age & older	unlimited	unlimited

Taxable Social Security Benefits

Social security received is taxable if AGI, plus tax-exempt interest, plus half of social security received exceeds these base amounts.

The taxable amount is the lesser of:

1. % of the excess over the base amount
2. % of benefit received

	(50%)	(85%)
Married filing joint	\$32,001 - 44,000	\$44,001+
Single/HOH	\$25,001 - 34,000	\$34,001+
Married filing separately & living w/spouse	\$0	\$0

Education Credits and Deductions

American Opportunity Tax Credit (replaces Hope Credit)—Max of \$2,500 for 2016 and 2017. Based on 100% of the first \$2,000 and 25% of the next \$2,000 on qualified tuition and course materials.

Phase-out for the American Opportunity Tax Credit is \$80,000-90,000 for single filer and \$160,000-\$180,000 for married filing joint in 2016 and 2017.

Lifetime Learning—\$2,000 max per year, 20% of up to \$10,000 qualified tuition for 2016 and 2017.

Phase-out for Lifetime Learning Credit is \$55,000-65,000 for single/HOH filer and \$111,000-131,000 for married filing joint in 2016.

Phase-out for Lifetime Learning Credit is \$56,000-66,000 for single/head of household filer and \$112,000-132,000 for married filing joint in 2017.

Qualified Higher Education Tuition Deduction—\$ 4,000 above the line deduction for qualified tuition for 2016 if AGI is less than \$65,000 for single/head of household and \$130,000 married filing joint. \$2,000 if AGI is between \$65,000-80,000 for single/head of household and \$130,000-160,000 married filing joint.

Student Loan Interest Deduction—Deduction up to \$2,500 for 2016 and 2017. Deduction phase-out for student loan interest deduction is \$65,000-80,000 for single/head of household and \$130,000-160,000 for married filing joint in 2016 and \$135,000-165,000 for married filing joint in 2017.