

## BUSINESS

### 2017 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%

### 2018 Corporate Tax Rate is 21% for All Income Levels.

Capital Gains Tax Rate: Same as regular tax rate.

Personal Service Corporations: Same as regular tax rate.

Fiscal Year Corporations: Rate prorated based on days in 2017 & 2018.

### Alternative Minimum Tax (AMT) (Repealed for 2018)

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 2017 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	\$3,450	\$3,050
Each succeeding year	\$2,075	\$1,875

Maximum depreciation for vehicles purchased in 2017 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	\$3,450	\$3,050
Each succeeding year	\$2,075	\$1,875

Ceilings are based upon 100% business use.

### Section 179

Section 179 is \$510,000, (\$2,030,000 qualifying property) for 2017 and it is \$1,000,000, (\$2,500,000 qualifying property) for 2018. There is a \$25,000 limitation on sport utility vehicles.

### Special (Bonus) Depreciation

The allowance is 50% for qualified new property placed in service between January 1, 2017, and September 27, 2017. The allowance is 100% for qualified new and used property placed in service between September 28, 2017, and December 31, 2022. For the first tax year ending after September 27, 2017, a taxpayer can elect to claim 50% first-year bonus depreciation instead of 100% bonus depreciation for assets placed in service between September 28, 2017, and the end of the tax year. Bonus depreciation phases down 20% per year starting in 2023.

## ESTATE

### 2017 ESTATE AND TRUST INCOME TAX RATES

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	15.00%
\$2,550	\$382.50	25.00%
\$6,000	\$1,245.00	28.00%
\$9,150	\$2,127.00	33.00%
\$12,500	\$3,232.50	39.60%

### 2018 ESTATE AND TRUST INCOME TAX RATES

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$2,550	\$255.00	24.00%
\$9,150	\$1,839.00	35.00%
\$12,500	\$3,011.50	37.00%

### Unified Credit Exemption Equivalent

	Estate	Gift
2017	\$5,490,000	\$5,490,000
2018	\$11,180,000	\$11,180,000

Annual Gift Tax Exclusion for 2017 is \$14,000 and for 2018 is \$15,000.

## GENERAL

### Standard Mileage Deduction

Use	2017	2018
Business	\$0.535	\$0.545
Charitable	\$0.14	\$0.14
Medical/Moving	\$0.17	\$0.18

### 2017-2018 Per Diem Rates

	Post 09/30/17 Low Cost Area	Post 09/30/17 High Cost Area
Lodging	\$134	\$216
Meals & IE	\$57	\$68

### Health Savings Account (HSA)

	2017	2018
Family	\$6,750	\$6,850
Self	\$3,400	\$3,450

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

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[www.eidebailly.com/Tax](http://www.eidebailly.com/Tax)

## 2017-2018 POCKET TAX GUIDE



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## INDIVIDUALS

### 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%

### 2018 INDIVIDUAL INCOME TAX RATES

#### Regular Tax - Married Filing Joint

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$19,050	\$1,905.00	12.00%
\$77,400	\$8,907.00	22.00%
\$165,000	\$28,179.00	24.00%
\$315,000	\$64,179.00	32.00%
\$400,000	\$91,379.00	35.00%
\$600,000	\$161,379.00	37.00%

#### Regular Tax - Single

Base Taxable Income	Tax on Base	% on Excess over Base
-	-	10.00%
\$9,525	\$952.50	12.00%
\$38,700	\$4,453.50	22.00%
\$82,500	\$14,089.50	24.00%
\$157,500	\$32,089.50	32.00%
\$200,000	\$45,689.50	35.00%
\$500,000	\$150,689.50	37.00%

### 2017 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.

### 2018 Long Term Capital Gain Rates (Including Qualified dividends)

Single		Married Filling Joint	
Tax Rate	If taxable Income is:	Tax Rate	If taxable Income is:
0%	\$0 to 38,600	0%	\$0 to 77,200
15%	\$38,601 to 425,800	15%	\$ 77,201 to 479,000
20%	\$ 425,801 or more	20%	\$ 479,001 or more

Note: As under prior law, 25% maximum tax rate on unrecaptured section 1250 gains and the 3.8% tax on net investment income remain in place.

Standard Deduction	2017	2018
Married Filing Joint	\$12,700	\$24,000
Single	\$6,350	\$12,000
Head of Household	\$9,350	\$18,000
Married Filing Separately	\$6,350	\$12,000

Additional Blind or Elderly	2017	2018
Single & HOH	\$1,550	\$1,600
Married	\$1,250	\$1,300
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	2017	2018
3% of AGI in excess (but not more than 80% of eligible itemized deductions)		
Married Filing Joint	\$311,800	Suspended
Single	\$261,500	Suspended
Head of Household	\$287,650	Suspended
Married Filing Separately	\$156,900	Suspended

Personal Exemptions	2017	2018
Deductions for each	\$4,050	Suspended
Personal exemption phase-out 2% for each \$2,500 of AGI in excess of:		
Married Filing Joint	\$313,800	Suspended
Single	\$261,500	Suspended
Head of Household	\$287,650	Suspended
Married Filing Separately	\$156,900	Suspended

### Child Tax Credit

**2017 child credit is \$1,000 per child under age 17.**

Phase out of the credit begins at \$110,000 for joint filers, \$75,000 for single/head of household filers, and \$55,000 for married filing separately.

**2018 child credit is \$2,000 per child under age 17.**

Phase out of the credit begins at \$400,000 for joint filers and \$200,000 for all other filers.

### Kiddie Tax

2017 Kiddie Tax applies to unearned income in excess of \$2,100 and applies to a child who has not reached the age of 19 or the child was a full-time student under the age of 24 and whose earned income does not exceed half of their support. For 2018 the taxable income of the child attributable to earned income is taxed under the rates for single individuals and the taxable income attributable to net unearned income is taxed according to the brackets applicable for trusts and estates.

### 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.

2018 taxpayers with 2017 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.

Savings Incentive Match Plan for Employees (SIMPLE)	2017	2018
Employee Contribution Limit	\$12,500	\$12,500
50 or older	+3,000	+3,000
Employer Contribution Limit or 2% non-elective contribution	3% match	3% match

Individual Limits		
Annual Compensation Limits	\$270,000	\$275,000
401(k) Contributions	\$18,000	\$18,500
Profit Sharing Plan-Corp.*	\$54,000	\$55,000
Money Purchase Plan-Corp.*	\$54,000	\$55,000
Profit Sharing Plan-SE**	\$54,000	\$55,000
Money Purchase Plan-SE**	\$54,000	\$55,000
SEP	\$54,000	\$55,000

\*\$6,000 catch-up contribution allowed for individuals age 50 and older in 2017 and 2018

\*\*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:**

2017 and 2018 - \$5,500 max for non-working spouse.

**Active participant in another plan:**

Married AGI	2017	2018	Deduction
\$0-98,999	\$0-100,999	\$0-100,999	\$5,500 for 2017 and 2018
\$99,000-119,000	\$101,000-121,000	\$101,000-121,000	Phase-out**
\$186,000-196,000	\$189,000-199,000	\$189,000-199,000	Phase-out for non-active spouse/participant

#### Single AGI

2017	2018	Deduction
\$0-61,999	\$0-62,999	\$5,500 for 2017 and 2018
\$62,000-72,000	\$63,000-73,000	Phase-out

\*\$1,000 catch-up contribution for individuals age 50 and older for 2017 and 2018.

\*\*Phase-out only for spouse who is active participant.

#### Roth IRA Eligibility

	AGI 2017	AGI 2018
Single/Head of Household	\$118,000-133,000	\$120,000-135,000
Married Filing Joint	\$186,000-196,000	\$189,000-199,000
Married Filing Separately	\$0-10,000	\$0-10,000
Rolllover of regular IRA to ROTH IRA	No Limit	No Limit

### Alternative Minimum Tax (AMT)

Tax Rate 26% to \$187,800 for 2017 and \$191,100 for 2018
28% over \$187,800 for 2017 and \$191,100 for 2018

Exemption	2017	Phase-out	2018	Phase-out
Single/Head	\$54,300	\$120,700	\$70,300	\$500,000
Married/Joint	\$84,500	\$160,900	\$109,400	\$1,000,000
Married filing separately	\$42,250	\$80,450	\$54,700	\$500,000

### SOCIAL SECURITY INFORMATION

	2017	2018
Social Security Base	\$127,200	\$128,400
Medicare Base	unlimited	unlimited
Social Security Tax Rate	6.20%	6.20%
Medicare Tax Rate*	1.45%	1.45%
Max Social Security Tax	\$7,886.40	\$7,960.80
*Additional 0.9% Medicare tax in excess \$200,000 (\$250,000 married)		

#### Medicare Part B Premium:

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

Annual Earnings		
4 Quarters Coverage	\$5,200.00	\$5,280.00

\*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) \$16,920 \$17,040

In year you reach full retirement age (lose \$1 for \$3) \$3,740/month \$3,780/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 2017 and 2018. 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 2017 and 2018.

**Lifetime Learning**—\$2,000 max per year, 20% of up to \$10,000 qualified tuition for 2017 and 2018.

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

Phase-out for Lifetime Learning Credit is \$57,000-67,000 for single/HOH filer and \$114,000-134,000 for married filing joint in 2018.

**Qualified Higher Education Tuition Deduction**—\$4,000 above the line deduction for qualified tuition 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 2017 and 2018. Deduction phase-out for student loan interest deduction is \$65,000-80,000 for single/head of household and \$135,000-165,000 for married filing joint.