

# Tax Facts and Figures



CA Tax & Financial Services

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## 2023 Federal Tax Rate Schedules

### Single Taxable Income

\$ 0 to 11,000	× 10.0%	minus	\$ 0.00	= Tax
11,001 to 44,725	× 12.0%	minus	220.00	= Tax
44,726 to 95,375	× 22.0%	minus	4,692.50	= Tax
95,376 to 182,100	× 24.0%	minus	6,600.00	= Tax
182,101 to 231,250	× 32.0%	minus	21,168.00	= Tax
231,251 to 578,125	× 35.0%	minus	28,105.50	= Tax
578,126 and over	× 37.0%	minus	39,668.00	= Tax

### MFJ or QSS Taxable Income

\$ 0 to 22,000	× 10.0%	minus	\$ 0.00	= Tax
22,001 to 89,450	× 12.0%	minus	440.00	= Tax
89,451 to 190,750	× 22.0%	minus	9,385.00	= Tax
190,751 to 364,200	× 24.0%	minus	13,200.00	= Tax
364,201 to 462,500	× 32.0%	minus	42,336.00	= Tax
462,501 to 693,750	× 35.0%	minus	56,211.00	= Tax
693,751 and over	× 37.0%	minus	70,086.00	= Tax

### MFS Taxable Income

\$ 0 to 11,000	× 10.0%	minus	\$ 0.00	= Tax
11,001 to 44,725	× 12.0%	minus	220.00	= Tax
44,726 to 95,375	× 22.0%	minus	4,692.50	= Tax
95,376 to 182,100	× 24.0%	minus	6,600.00	= Tax
182,101 to 231,250	× 32.0%	minus	21,168.00	= Tax
231,251 to 346,875	× 35.0%	minus	28,105.50	= Tax
346,876 and over	× 37.0%	minus	35,043.00	= Tax

### HOH Taxable Income

\$ 0 to 15,700	× 10.0%	minus	\$ 0.00	= Tax
15,701 to 59,850	× 12.0%	minus	314.00	= Tax
59,851 to 95,350	× 22.0%	minus	6,299.00	= Tax
95,351 to 182,100	× 24.0%	minus	8,206.00	= Tax
182,101 to 231,250	× 32.0%	minus	22,774.00	= Tax
231,251 to 578,100	× 35.0%	minus	29,711.50	= Tax
578,101 and over	× 37.0%	minus	41,273.50	= Tax

## Additional Medicare Tax

**0.9% additional tax on wage income above threshold**

Filing status	Single, HOH, QSS	MFJ	MFS
Threshold amount	\$200,000	\$250,000	\$125,000

## 2023 Qualifying Relative Limit

The qualifying relative income limit is..... \$4,700

## 2023 Standard Deduction

The basic standard deduction for 2023 is:

Single or MFS.....	\$13,850
MFJ or QSS.....	\$27,700
HOH.....	\$20,800

**Age 65 and/or blind.** The additional amounts for age 65 or older and/or blind, per person, per event in 2023 are:

MFJ, QSS, or MFS .....	\$1,500
Single or HOH.....	\$1,850

**Dependent.** The standard deduction in 2023 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,250, or earned income plus \$400.

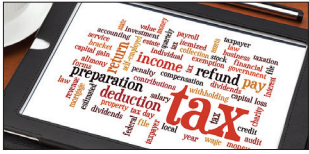
## Child Tax Credit and Credit for Other Dependents

<b>Child Tax Credit</b>	\$2,000 per qualifying child.
<b>\$2,000 Child Tax Credit phaseout begins</b>	MFJ.....\$400,000 Single, HOH, MFS.....\$200,000
<b>Credit for Other Dependents</b>	\$500 per dependent (not a qualifying child).

## Social Security Highlights

Employee's portion of FICA	2023	2022	2021
Maximum earnings subject to Social Security tax (Medicare no limit)	\$160,200	\$147,000	\$142,800
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$9,932.40	\$9,114.00	\$8,853.60

\*Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.



# Tax Facts and Figures

## Business Expenses

<b>2023 Standard Mileage Rate Per Mile</b>	
Business.....	65.5¢
Medical and moving*.....	22.0¢
Charitable.....	14.0¢
Depreciation.....	28.0¢

### Section 179 Expense Limits

Regular 179 limits.....	\$1,160,000
SUV limits.....	\$28,900
Investment phaseout begins.....	\$2,890,000

### 2023 Standard Deduction for Meals—High Low Method (Per Day)

High cost localities.....	\$74
All other localities.....	\$64
Transportation workers.....	\$69

### Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)

Commuter benefits (per month)...	\$300
Parking benefits (per month).....	\$300

\*The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

## 2023 Retirement Plan Limits

### 401(k)/403(b) Deferral Limits

Under age 50.....	\$22,500
Age 50 and over.....	\$30,000

### IRA Contribution Limits

Under age 50.....	\$6,500
Age 50 and over.....	\$7,500

### IRA Deduction Phaseout Range if Covered by Employer Plan

MFJ.....	\$116,000–\$136,000
Spouse not covered.....	\$218,000–\$228,000
Single, HOH.....	\$73,000–\$83,000
MFS.....	\$0–\$10,000

### Roth IRA Phaseout Range

MFJ.....	\$218,000–\$228,000
Single, HOH.....	\$138,000–\$153,000
MFS.....	\$0–\$10,000

### SIMPLE Deferral Limits

Under age 50.....	\$15,500
Age 50 and over.....	\$19,000

### Qualified Retirement Plans

Profit sharing/SEP limits.....	25%/\$66,000
Defined benefit plan limits ...	\$265,000
Compensation limits.....	\$330,000

## Education Tax Benefits

### American Opportunity Credit

MFJ phaseout ....	\$160,000–\$180,000
Single, HOH phaseout.....	\$80,000–\$90,000
Maximum credit: \$2,500 per student	
Up to 40% (\$1,000) may be refundable	

### Lifetime Learning Credit

MFJ phaseout ....	\$160,000–\$180,000
Single, HOH phaseout.....	\$80,000–\$90,000
Maximum credit: \$2,000 per return	

### Education Savings Account (ESA)

MFJ phaseout.....	\$190,000–\$220,000
All others.....	\$95,000–\$110,000
Annual contribution limit: \$2,000 per beneficiary	

### Student Loan Interest Deduction

MFJ phaseout.....	\$155,000–\$185,000
Single, HOH phaseout.....	\$75,000–\$90,000
Maximum deduction: \$2,500 per return	

### U.S. Savings Bonds Interest Exclusion

MFJ phaseout.....	\$137,800–\$167,800
Single, HOH phaseout.....	\$91,850–\$106,850

### Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students or apprentices are not taxable.
- Distributions up to \$10,000 per student are allowed for tuition expenses for a public, private, or religious elementary or secondary school.
- Cumulative distributions up to \$10,000 per beneficiary and sibling for qualified education debt.

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## 2023 Tax Rates: Capital Gain and Dividend Income

If income is...	Maximum tax rate %	If asset is held...
Gain from the sale of collectibles	28%	More than 1 year
Taxable portion of gain on qualified small business stock (section 1202 exclusion)	28%	More than 5 years
Unrecaptured section 1250 gain	25%	More than 1 year
Long-term capital gain	See below	More than 1 year
Qualified dividend income	See below	More than 60 days
<b>Taxable Income</b>		
Single.....	\$0 to \$44,625	0%
MFJ/QSS.....	\$0 to \$89,250	
MFS.....	\$0 to \$44,625	
HOH.....	\$0 to \$59,750	
Estates and Trusts.....	\$0 to \$3,000	
<b>Taxable Income</b>		
Single.....	\$44,626 to \$492,300	15%
MFJ/QSS.....	\$89,251 to \$553,850	
MFS.....	\$44,626 to \$276,900	
HOH.....	\$59,751 to \$523,050	
Estates and Trusts.....	\$3,001 to \$14,650	
<b>Taxable Income</b>		
Single.....	\$492,301 and over	20%
MFJ/QSS.....	\$553,851 and over	
MFS.....	\$276,901 and over	
HOH.....	\$523,051 and over	
Estates and Trusts.....	\$14,651 and over	
Short-term capital gain	37%	1 year or less
Ordinary dividend income	37%	60 days or less

## Net Investment Income Tax (NIIT)

### 3.8% additional tax on investment income if MAGI above threshold amount

Filing status	Single, HOH	MFJ, QW	MFS
Threshold amount	\$200,000	\$250,000	\$125,000

## 2023 Qualified Business Income Deduction Thresholds

MFJ: \$364,200	MFS: \$182,100	Single, HOH, QSS: \$182,100
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## Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 73.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.