



# Tax Facts and Figures



office: 801.768.1500  
3300 No. Running Creek Way, Bldg. A-1, Lehi, UT 84043

## 2018 Federal Tax Rate Schedules

### Single Taxable Income

\$ 0 to 9,525	× 10.0%	minus	\$ 0.00	= Tax
9,526 to 38,700	× 12.0%	minus	190.50	= Tax
38,701 to 82,500	× 22.0%	minus	4,060.50	= Tax
82,501 to 157,500	× 24.0%	minus	5,710.50	= Tax
157,501 to 200,000	× 32.0%	minus	18,310.50	= Tax
200,001 to 500,000	× 35.0%	minus	24,310.50	= Tax
500,001 and over	× 37.0%	minus	34,310.50	= Tax

### MFJ or QW Taxable Income

\$ 0 to 19,050	× 10.0%	minus	\$ 0.00	= Tax
19,051 to 77,400	× 12.0%	minus	381.00	= Tax
77,401 to 165,000	× 22.0%	minus	8,121.00	= Tax
165,001 to 315,000	× 24.0%	minus	11,421.00	= Tax
315,001 to 400,000	× 32.0%	minus	36,621.00	= Tax
400,001 to 600,000	× 35.0%	minus	48,621.00	= Tax
600,001 and over	× 37.0%	minus	60,621.00	= Tax

### MFS Taxable Income

\$ 0 to 9,525	× 10.0%	minus	\$ 0.00	= Tax
9,526 to 38,700	× 12.0%	minus	190.50	= Tax
38,701 to 82,500	× 22.0%	minus	4,060.50	= Tax
82,501 to 157,500	× 24.0%	minus	5,710.50	= Tax
157,501 to 200,000	× 32.0%	minus	18,310.50	= Tax
200,001 to 300,000	× 35.0%	minus	24,310.50	= Tax
300,001 and over	× 37.0%	minus	30,310.50	= Tax

### HOH Taxable Income

\$ 0 to 13,600	× 10.0%	minus	\$ 0.00	= Tax
13,601 to 51,800	× 12.0%	minus	272.00	= Tax
51,801 to 82,500	× 22.0%	minus	5,452.00	= Tax
82,501 to 157,500	× 24.0%	minus	7,102.00	= Tax
157,501 to 200,000	× 32.0%	minus	19,702.00	= Tax
200,001 to 500,000	× 35.0%	minus	25,702.00	= Tax
500,001 and over	× 37.0%	minus	35,702.00	= Tax

## Additional Medicare Tax

0.9% additional tax on wage income above threshold

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

## 2018 Personal Exemptions

The personal exemption deduction per person is..... \$0

## 2018 Standard Deduction

The basic standard deduction for 2018 is:

Single or MFS.....	\$12,000
MFJ or QW.....	\$24,000
HOH.....	\$18,000

**Age 65 and/or blind.** The additional amounts for age 65 or older and/or blind, per person, per event in 2018 are:

MFJ, QW, or MFS .....	\$1,300
Single or HOH.....	\$1,600

**Dependent.** The standard deduction in 2018 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,050, or earned income plus \$350.

**Note:** The standard deduction for a dependent and the additional standard deductions for the aged and blind may change slightly when the IRS revises its 2018 inflation-adjusted amounts to follow the chained-CPI inflation rates.

## Child Tax Credit and Family Tax Credit

<b>Child Tax Credit</b>	\$2,000 per qualifying child.
Maximum refundable portion of Child Tax Credit	\$1,400 per qualifying child.
Child Tax Credit phaseout begins	MFJ..... \$400,000 Single, HOH, MFS..... \$200,000
<b>Family Tax Credit</b>	\$500 per dependent (not a qualifying child).

## Social Security Highlights

Employee's portion of FICA	2018	2017	2016
Maximum earnings subject to Social Security tax (Medicare no limit)	\$128,400	\$127,200	\$118,500
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$7,960.80	\$7,886.40	\$7,347.00

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



# Tax Facts and Figures

## Business Expenses

<b>2018 Standard Mileage Rate Per Mile</b>	<b>2018 Standard Deduction for Meals— High Low Method (Per Day)</b>
Business..... 54.5¢	High cost localities..... \$68
Medical and moving* ..... 18.0¢	All other localities ..... \$57
Charitable ..... 14.0¢	Transportation workers ..... \$63
Depreciation ..... 25.0¢	
<b>Section 179 Expense Limits</b>	<b>Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)</b>
Regular 179 limits ..... \$1,000,000	Commuter benefits (per month) ... \$260
SUV limits ..... \$25,000	Parking benefits (per month)..... \$260
Investment phaseout begins..... \$2,500,000	

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

## 2018 Retirement Plan Limits

<b>401(k)/403(b) Deferral Limits</b>	<b>Roth IRA Phaseout Range</b>
Under age 50..... \$18,500	MFJ..... \$189,000–\$199,000
Age 50 and over ..... \$24,500	Single, HOH..... \$120,000–\$135,000
<b>IRA Contribution Limits</b>	MFS..... \$0–\$10,000
Under age 50..... \$5,500	<b>SIMPLE Deferral Limits</b>
Age 50 and over ..... \$6,500	Under age 50..... \$12,500
<b>IRA Deduction Phaseout Range if Covered by Employer Plan</b>	Age 50 and over ..... \$15,500
MFJ..... \$101,000–\$121,000	<b>Qualified Retirement Plans</b>
Single, HOH..... \$63,000–\$73,000	Profit sharing/SEP
MFS..... \$0–\$10,000	limits..... 25%/ \$55,000
Spouse not	Defined benefit plan limits ... \$220,000
covered ..... \$189,000–\$199,000	Compensation limits ..... \$275,000

## Education Tax Benefits

<b>American Opportunity Credit</b>	<b>Education Savings Account (ESA)</b>
MFJ phaseout .... \$160,000–\$180,000	MFJ phaseout..... \$190,000–\$220,000
Single, HOH	All others ..... \$95,000–\$110,000
phaseout..... \$80,000–\$90,000	Annual contribution limit: \$2,000 per beneficiary
Maximum credit: \$2,500 per student	<b>Student Loan Interest Deduction</b>
Up to 40% (\$1,000) may be refundable	MFJ phaseout..... \$135,000–\$165,000*
<b>Lifetime Learning Credit</b>	Single, HOH phaseout.... \$65,000–\$80,000*
MFJ phaseout ... \$114,000–\$134,000*	Maximum deduction: \$2,500 per return
Single, HOH	<b>U.S. Savings Bonds Interest Exclusion</b>
phaseout..... \$57,000–\$67,000*	MFJ phaseout..... \$119,550–\$149,550*
Maximum credit: \$2,000 per return	Single, HOH phaseout.... \$79,700–\$94,700*

### Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students are not taxable.
- Distributions up to \$10,000 per student are now allowed for tuition expenses for a public, private, or religious elementary or secondary school.

\* **Note:** Phaseout ranges may change slightly when the IRS revises its 2018 inflation-adjusted amounts to follow the chained-CPI inflation rates.

## 2018 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 \$38,600	0%	
MFJ/QW ..... \$0 to 77,200		
MFS..... \$0 to \$38,600		
HOH..... \$0 to \$51,700		
Estates and trusts..... \$0 to \$2,600		
<b>Taxable Income</b>		
Single ..... \$38,601 to \$425,800	15%	
MFJ/QW ..... \$77,201 to \$479,000		
MFS..... \$38,601 to \$239,500		
HOH..... \$51,701 to \$452,400		
Estates and trusts..... \$2,601 to \$12,700		
<b>Taxable Income</b>		
Single ..... \$425,801 and over	20%	
MFJ/QW ..... \$479,001 and over		
MFS..... \$239,501 and over		
HOH..... \$452,401 and over		
Estates and trusts..... \$12,701 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

## 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 70½.
- 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.

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