

2016

Income Tax Rates

2015



Navigating Your Financial Future

2016 Tax Guide

Courtesy of

Diversified Brokerage Services, Inc.

Social Security (2016 & 2015)

	2016	2015
Maximum Comp. Subject to FICA:		
Social Security maximum (OASDI)	\$118,500	118,500
Social Security employee rate	6.2%	6.2%
Medicare maximum (HI)	No Limit	No Limit
Medicare employee rate	1.45%*	1.45%*
* Additional 0.9% on incomes in excess of the threshold am't (\$250,000 married joint/\$200,000 single not indexed) applies to wages of employees for a combined tax of 2.35%.		
Base Am't of Mod. AGI Causing Social Security Benefits to be Taxable:	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000
Maximum Earnings Before Social Security Benefits are Reduced:	2016	2015
Under full retirement lose \$1 of \$2	\$15,720	\$15,720
Year of retirement lose \$1 of \$3	\$41,880	\$41,880
At full retirement age	No limit	No limit

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If Taxable Income Is:

Over	But Not Over	The Tax Is	Am't Over
Married Filing Jointly and Surviving Spouse			
\$0	\$18,550	\$0+10%	\$0
18,550	75,300	\$1,855+15%	18,550
75,300	151,900	\$10,368+25%	75,300
151,900	231,450	\$29,518+28%	151,900
231,450	413,350	\$51,792+33%	231,450
413,350	466,950	\$111,819+35%	413,350
466,950		130,579+39.6%	466,950

Single

Over	But Not Over	The Tax Is	Am't Over
\$0	\$9,275	\$0+10%	\$0
9,275	37,650	\$928+15%	9,275
37,650	91,150	\$5,184+25%	37,650
91,150	190,150	\$18,559+28%	91,150
190,150	413,350	\$46,279+33%	190,150
413,350	415,050	\$119,935+35%	413,350
415,050		120,530+39.6%	415,050

Married Filing Separately

Over	But Not Over	The Tax Is	Am't Over
\$0	\$9,275	\$0+10%	\$0
9,275	37,650	\$928+15%	9,275
37,650	75,950	\$5,184+25%	37,650
75,950	115,725	\$14,759+28%	75,950
115,725	206,675	\$25,869+33%	115,725
206,675	233,475	\$55,909+35%	206,675
233,475		65,289+39.6%	233,475

Head of Household

Over	But Not Over	The Tax Is	Am't Over
\$0	\$13,250	\$0+10%	\$0
13,250	50,400	\$1,325+15%	13,250
50,400	130,150	\$6,898+25%	50,400
130,150	210,800	\$26,835+28%	130,150
210,800	413,350	\$49,417+33%	210,800
413,350	441,000	\$116,259+35%	413,350
441,000		125,936+39.6%	441,000

Estates & Trusts

Over	But Not Over	The Tax Is	Am't Over
\$0	\$2,550	\$0+15%	\$0
2,550	5,950	\$383+25%	2,550
5,950	9,050	\$1,233+28%	5,950
9,050	12,400	\$2,101+33%	9,050
12,400		\$3,206+39.6%	12,400

Standard Deductions (2016 & 2015)

Filing Status	2016	Add 'l	2015	Add'l
Joint/Surviving Spouse	12,600	1,250	12,600	1,250
Head of Household	9,300	1,550	9,250	1,550
Married File Separate	6,300	1,250	6,300	1,250
Single	6,300	1,550	6,300	1,550
Personal Exemptions	2016		2015	
Amount	4,050		4,000	

If Taxable Income Is:

Over	But Not Over	The Tax Is	Am't Over
Married Filing Jointly and Surviving Spouse			
\$0	18,450	\$0+10%	\$0
18,450	74,900	\$1,845+15%	18,450
74,900	151,200	\$10,313+25%	74,900
151,200	230,450	\$29,388+28%	151,200
230,450	411,500	\$51,578+33%	230,450
411,500	464,850	\$111,324+35%	411,500
464,850		\$129,997+39.6%	464,850

Single

Over	But Not Over	The Tax Is	Am't Over
\$0	9,225	\$0+10%	\$0
9,225	37,450	\$923+15%	9,225
37,450	90,750	\$5,156+25%	37,450
90,750	189,300	\$18,481+28%	90,750
189,300	411,500	\$46,075+33%	189,300
411,500	413,200	\$119,401+35%	411,500
413,200		\$119,996+39.6%	413,200

Married Filing Separately

Over	But Not Over	The Tax Is	Am't Over
\$0	9,225	\$0+10%	\$0
9,225	37,450	\$923+15%	9,225
37,450	75,600	\$5,156+25%	37,450
75,600	115,225	\$14,694+28%	75,600
115,225	205,750	\$25,789+33%	115,225
205,750	232,425	\$55,662+35%	205,750
232,425		\$64,998+39.6%	232,425

Head of Household

Over	But Not Over	The Tax Is	Am't Over
\$0	13,150	\$0+10%	\$0
13,150	50,200	\$1,315+15%	13,150
50,200	129,600	\$6,873+25%	50,200
129,600	209,850	\$26,723+28%	129,600
209,850	411,500	\$49,193+33%	209,850
411,500	439,000	\$115,737+35%	411,500
439,000		\$125,362+39.6%	439,000

Estates & Trusts

Over	But Not Over	The Tax Is	Am't Over
\$0	2,500	\$0+15%	\$0
2,500	5,900	\$375+25%	2,500
5,900	9,050	\$1,225+28%	5,900
9,050	12,300	\$2,107+33%	9,050
12,300		\$3,180+39.6%	12,300

Itemized Deduction & Personal Exemption Phase-out

AGI Phase-out Threshold Am't	2016	2015
Joint/Surviving Spouse	311,300	309,900
Head of Household	285,350	284,050
Single	259,400	258,250
Married Filing Separately	155,650	154,950

Long-Term Capital Gains & Qualified Dividend Rates*

Taxpayers in:	2016	2015
10% & 15% Brackets	0%	0%
25% - 35% Brackets	15%	15%
39.6% Bracket	20%	20%

*Additional 3.8% tax on net investment income applies to certain high income taxpayers to extent exceed modified AGI \$250,000 married joint/\$200,000 single (not indexed), increasing the rate to 23.8%.

Corporations Income Tax (2016 & 2015)

Taxable Income Over	Not Over	Tax Rate
\$0	50,000	15%
50,000	75,000	25%
75,000	100,000	34%
100,000	335,000	39%
335,000	10,000,000	34%
10,000,000	15,000,000	35%
15,000,000	18,333,333	38%
18,333,333		35%

Estate & Gift Tax Rates (2016 & 2015)

Taxable Estate Is:			
Over	But Not Over	The Tax Is	Am't Over
\$0	\$10,000	\$0+18%	\$0
10,000	20,000	1,800+20%	10,000
20,000	40,000	3,800+22%	20,000
40,000	60,000	8,200+24%	40,000
60,000	80,000	13,000+26%	60,000
80,000	100,000	18,200+28%	80,000
100,000	150,000	23,800+30%	100,000
150,000	250,000	38,800+32%	150,000
250,000	500,000	70,800+34%	250,000
500,000	750,000	155,800+37%	500,000
750,000	1,000,000	248,300+39%	750,000
1,000,000		345,800+40%	1,000,000

Other Estate & Gift Items (2016 & 2015)

	2016	2015
Annual gift tax exclusion	\$14,000	\$14,000
Annual gift exclusion for non-US spouse	148,000	147,000
Generation skipping exclusion	5,450,000	5,430,000
Estate tax exclusion	5,450,000	5,430,000
Gift tax exclusion	5,450,000	5,430,000
2% limit for section 6166	1,480,000	1,470,000
Special use valuation	1,110,000	1,100,000

AMT Exemption* (2016 & 2015)

Filing Status	2016	2015
Joint/Surviving Spouse	\$83,800	\$83,400
Single	53,900	53,600
Married Filing Separate	41,900	41,700
Trusts & Estates	23,900	23,800

AMT Exemption Phase-out Threshold* (2016 & 2015)

Filing Status	2016	2015
Joint/Surviving Spouse	\$159,700	\$158,900
Single	119,700	119,200
Married Filing Separate/Trusts & Estates	79,850	79,450

*Exemption and threshold for phase-out are indexed.

Traditional IRA Deductibility Rules (2016 & 2015)

Filing Status	Covered by Employer Plan?	Modified AGI		Deductibility
		2016	2015	
Single	No	Any amount	Any amount	Full deduction
	Yes	Less \$61,000	Less \$61,000	Full deduction
		61,000-70,999	61,000-70,999	Partial deduction
Married Filing Joint	Neither Spouse	Any amount	Any amount	Full deduction
		Less 98,000	Less 98,000	Full deduction
	Both Spouse Covered	98,000-117,999	98,000-117,999	Partial deduction
		118,000 & more	118,000 & more	No deduction
	One Spouse Covered - For Covered Spouse	Less 98,000	Less 98,000	Full deduction
		98,000-117,999	95,000-117,999	Partial deduction
	One Spouse Covered - For Noncovered	118,000 & more	118,000 & more	No deduction
		Less 184,000	Less 183,000	Full deduction
		184,000-193,999	183,000-192,999	Partial deduction
		194,000 & more	193,000 & more	No deduction

Qualified Retirement Account Limits (2016 & 2015)

	2016	2015
Contribution limits for traditional and Roth IRAs	\$5,500	\$5,500
Catch-up limits for traditional and Roth IRAs	1,000	1,000
Maximum elective deferral to retirement plans e.g. 401(k), 403(b)	18,000	18,000
Maximum elective deferral for 457 plans of tax-exempt employer	18,000	18,000
Catch-up limits for 401(k), 403(b), SARSEP and 457	6,000	6,000
Maximum elective deferral SIMPLE IRA and SIMPLE 401(k) plan	12,500	12,500
Catch-up limits for SIMPLE IRA and SIMPLE 401(k) plan	3,000	3,000
Limit on annual additions to SEP IRA plans	53,000	53,000
Annual compensation threshold requiring SEP IRA contribution	600	600
Limit on annual additions to defined contribution plans	53,000	53,000
Max. annual compensation taken into account for contributions	265,000	265,000
Annual benefit limit under defined benefit plans	210,000	210,000
Threshold amount for definition of highly compensated employee	120,000	120,000
Threshold amount for definition of key employee in top-heavy	170,000	170,000

Roth IRAs (2016 & 2015)

AGI phase-out range for contributions:	2016	2015
Married filing joint	\$184,000-194,000	183,000-193,000
Single	\$117,000-132,000	116,000-131,000

Uniform Lifetime Table

Calculate required minimum distributions	
Age	Distribution Period
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9
76	22.0
77	21.2
78	20.3
79	19.5
80	18.7
81	17.9
82	17.1
83	16.3
84	15.5
85	14.8
86	14.1
87	13.4
88	12.7
89	12.0
90	11.4
91	10.8
92	10.2
93	9.6
94	9.1
95	8.6
96	8.1
97	7.6
98	7.1
99	6.7
100	6.3
101	5.9

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