



2024

# TAX GUIDE

## FEDERAL INCOME TAX, STANDARD DEDUCTIONS

| OVER BUT NOT OVER   | TAX +  | % ON EXCESS  | OF THE AMOUNT OVER |
|---|--|--------------|--------------------|
| <b>SINGLE FILERS</b>                                      |  |              |                    |
| \$0   | \$11,600   | \$0.00       | 10%                |
| \$11,600  | \$47,150   | \$1,160.00   | 12%                |
| \$47,150  | \$100,525  | \$5,426.00   | 22%                |
| \$100,525   | \$191,950  | \$17,168.50  | 24%                |
| \$191,950   | \$243,725  | \$39,110.50  | 32%                |
| \$243,725   | \$609,350  | \$55,678.50  | 35%                |
| \$609,350   | ∞  | \$183,647.25 | 37%                |
| <b>MARRIED FILING JOINTLY &amp; SURVIVING SPOUSES</b>     |  |              |                    |
| \$0   | \$23,200   | \$0.00       | 10%                |
| \$23,200  | \$94,300   | \$2,320.00   | 12%                |
| \$94,300  | \$201,050  | \$10,852.00  | 22%                |
| \$201,050   | \$383,900  | \$34,337.00  | 24%                |
| \$383,900   | \$487,450  | \$78,221.00  | 32%                |
| \$487,450   | \$731,200  | \$111,357.00 | 35%                |
| \$731,200   | ∞  | \$196,669.50 | 37%                |
| <b>HEAD OF HOUSEHOLD</b>                                  |  |              |                    |
| \$0   | \$16,550   | \$0.00       | 10%                |
| \$16,550  | \$63,100   | \$1,655.00   | 12%                |
| \$63,100  | \$100,500  | \$7,241.00   | 22%                |
| \$100,500   | \$191,950  | \$15,469.00  | 24%                |
| \$191,950   | \$243,700  | \$37,417.00  | 32%                |
| \$243,700   | \$609,350  | \$53,977.00  | 35%                |
| \$609,350   | ∞  | \$181,954.50 | 37%                |
| <b>MARRIED FILING SEPARATELY</b>                          |  |              |                    |
| \$0   | \$11,600   | \$0.00       | 10%                |
| \$11,600  | \$47,150   | \$1,160.00   | 12%                |
| \$47,150  | \$100,525  | \$5,426.00   | 22%                |
| \$100,525   | \$191,950  | \$17,168.50  | 24%                |
| \$191,950   | \$243,725  | \$39,110.50  | 32%                |
| \$243,725   | \$365,600  | \$55,678.50  | 35%                |
| \$365,600   | ∞  | \$98,334.75  | 37%                |
| <b>TRUSTS &amp; ESTATES</b>                               |  |              |                    |
| \$0   | \$3,100  | \$0.00       | 10%                |
| \$3,100   | \$11,150   | \$310.00     | 24%                |
| \$11,150  | \$15,200   | \$2,242.00   | 35%                |
| \$15,200  | ∞  | \$3,659.50   | 37%                |
| <b>TAXES FOR GIFTS &amp; ESTATES</b>                      |  |              |                    |
|   | <b>2024</b>  | <b>2023</b>  |                    |
| Annual Gift Tax Exclusion                                 | \$18,000   | \$17,000     |                    |
| Estate Tax Applicable Exclusion Rate                      | \$13,610,000                                       | \$12,920,000 |                    |
| Annual Gift Tax Exclusion for a Noncitizen Spouse         | \$185,000  | \$175,000    |                    |
| Top Gift Tax Rate   | 40%  | 40%          |                    |
| <b>STATES WITH ESTATE &amp; INHERITANCE TAX</b>           |  |              |                    |
| States with State Estate Tax                              | CT, DC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA |              |                    |
| States with Inheritance Tax                               | IA, KY, NE, PA, NJ, MD                             |              |                    |
| Community Property State                                  | AK*, AZ, CA, ID, LA, NM, NV, TX, WA, WI            |              |                    |
|   | * Opt-in community property state                  |              |                    |
| <b>STANDARD DEDUCTIONS</b>                                |  |              |                    |
|   | <b>2024</b>  | <b>2023</b>  |                    |
| Single / Married Filing Separately                        | \$14,600   | \$13,850     |                    |
| Married Filing Jointly                                    | \$29,200   | \$27,700     |                    |
| Head of Household   | \$21,900   | \$20,800     |                    |
| <b>Additional Deduction for Blind or Aged 65 or Older</b> |  |              |                    |
| Single  | \$1,950  | \$1,850      |                    |
| Married or Qualifying Widow(er)                           | \$1,550  | \$1,500      |                    |

## RETIREMENT PLANS & MEDICARE PREMIUM

| <b>IRA &amp; ROTH IRA ANNUAL CONTRIBUTION LIMIT</b>   |                       |                       |
|---|-----------------------|-----------------------|
|   | <b>2024</b>           | <b>2023</b>           |
| Contribution Limit  | \$7,000               | \$6,500               |
| Plus: 50+ Catch-up  | \$1,000               | \$1,000               |
| <b>TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI</b>  |                       |                       |
| <i>Participants in Employers Plans</i>  |                       |                       |
|   | <b>2024</b>           | <b>2023</b>           |
| Single or Head of Household   | \$77,000 - \$87,000   | \$73,000 - \$83,000   |
| Married Filing Jointly or Qualifying Widow(er)  | \$123,000 - \$143,000 | \$116,000 - \$136,000 |
| Nonparticipant Married to Participant & Filing Jointly  | \$230,000 - \$240,000 | \$218,000 - \$228,000 |
| Married Filing Separately   | \$0 - \$10,000        | \$0 - \$10,000        |
| <b>ROTH IRA PHASE-OUT BASED ON MAGI</b>   |                       |                       |
|   | <b>2024</b>           | <b>2023</b>           |
| Married Filing Jointly or Qualifying Widow(er)  | \$230,000 - \$240,000 | \$218,000 - \$228,000 |
| Single or Head of Household, or Married Filing Separately and Lived Apart from Spouse   | \$146,000 - \$161,000 | \$138,000 - \$153,000 |
| Married Filing Separately and Lived w/ Spouse   | \$0 - \$10,000        | \$0 - \$10,000        |
| <b>QUALIFIED PLANS</b>  |                       |                       |
|   | <b>2024</b>           | <b>2023</b>           |
| 401(k), 403(b), 457(b) Salary Deferral <sup>1</sup>   | \$23,000              | \$22,500              |
| Plus: 50+ Catch-up  | \$7,500               | \$7,500               |
| SIMPLE IRA Salary Deferral  | \$16,000              | \$15,500              |
| Plus: 50+ Catch-up  | \$3,500               | \$3,500               |
| Maximum Annual Additions in a Defined Contribution Plan   | \$69,000              | \$66,000              |
| Maximum Annual Benefit in a Defined Benefit Plan  | \$275,000             | \$265,000             |
| Maximum Compensation Considered   | \$345,000             | \$330,000             |
| Highly Compensated Employee   | \$155,000             | \$150,000             |
| Key Employee - Officer  | \$220,000             | \$215,000             |
| <sup>1</sup> Special catch-up rules applies to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years before retirement. |                       |                       |
| <b>SEP IRA CONTRIBUTION LIMITS</b>  |                       |                       |
|   | <b>2024</b>           | <b>2023</b>           |
| Maximum SEP IRA Contribution  | \$69,000              | \$66,000              |
| Maximum SEP IRA Compensation  | \$345,000             | \$330,000             |
| <b>MEDICARE PART B PREMIUMS</b>   |                       |                       |
| Individual Return   | Joint Return          | Mo. Pymt              |
| \$0 - \$103,000   | \$0 - \$206,000       | \$174.70              |
| \$103,001 - \$129,000   | \$206,001 - \$258,000 | \$244.60              |
| \$129,001 - \$161,000   | \$258,001 - \$322,000 | \$349.40              |
| \$161,001 - \$193,000   | \$322,001 - \$386,000 | \$454.20              |
| \$193,001 - \$499,999   | \$386,001 - \$749,999 | \$559.00              |
| \$500,000+  | \$750,000+            | \$594.00              |
| Married Filing Separately   | \$0 - \$103,000       | \$174.70              |
| Married Filing Separately   | \$103,000 - \$396,999 | \$559.00              |
| Married Filing Separately   | \$397,000+            | \$594.00              |

## EDUCATION & HEALTH DEDUCTIONS, BUSINESS TAXES

| 529 PLAN CONTRIBUTIONS                                   |           |
|--|-----------|
| 529 Plan Contributions per Individual                    | \$18,000  |
| 529 Plan Contributions per Couple                        | \$36,000  |
| Accelerate 5 years of gifting into 1 year per individual | \$90,000  |
| Per Couple   | \$180,000 |

| STUDENT LOAN INTEREST |                       |
|-----------------------|-----------------------|
|                       | Phase-Out             |
| Joint Return          | \$165,000 - \$195,000 |
| Single Return         | \$80,000 - \$95,000   |

The maximum deduction for student loan interest is \$2,500.

| HEALTH SAVINGS ACCOUNTS (CONTRIBUTION LIMITS) |         |         |
|---|---------|---------|
|   | 2024    | 2023    |
| Single  | \$4,150 | \$3,850 |
| Family  | \$8,300 | \$7,750 |
| 55+ Catch-up                                  | \$1,000 | \$1,000 |

| BUSINESS INCOME TAXES                           |                                   |
|---|-----------------------------------|
| C Corporations                                  |                                   |
| Taxable Net Income                              | 21% Tax Rate                      |
| S Corporations & LLCs                           |                                   |
| Taxable K-1 Pass-Through Income to Shareholders | Individual Tax Rates<br>10% - 37% |

- "Qualified Business Income" is eligible for a 20% K-1 deduction (ie. 37% bracket 29.6% net marginal rate)
- Generally, "Specified Service Businesses are not eligible for a 20% K-1 deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds.

| FICA TAX RATES          |               |          |
|-------------------------|---------------|----------|
|                         | Self-Employed | Employee |
| Social Security (OASDI) | 12.40%        | 6.20%    |
| HI (Medicare)           | 2.90%         | 1.45%    |
| Additional Medicare Tax | 0.90%         | 0.90%    |

**Additional Medicare Tax of 0.9% on earned income:**

|                            |                      |
|----------------------------|----------------------|
| Married-Jointly            | MAGI above \$250,000 |
| Married-Separately         | MAGI above \$125,000 |
| Single / Head of Household | MAGI above \$200,000 |

## UNIFORM LIFETIME TABLE

| AGE | LIFE EXPECTANCY FACTOR | % ACCOUNT | AGE | LIFE EXPECTANCY FACTOR | % ACCOUNT |
|-----|------------------------|-----------|-----|------------------------|-----------|
| 73  | 26.5                   | 3.78      | 87  | 14.4                   | 6.95      |
| 74  | 25.5                   | 3.93      | 88  | 13.7                   | 7.30      |
| 75  | 24.6                   | 4.07      | 89  | 12.9                   | 7.76      |
| 76  | 23.7                   | 4.22      | 90  | 12.2                   | 8.20      |
| 77  | 22.9                   | 4.37      | 91  | 11.5                   | 8.70      |
| 78  | 22.0                   | 4.55      | 92  | 10.8                   | 9.26      |
| 79  | 21.1                   | 4.74      | 93  | 10.1                   | 9.91      |
| 80  | 20.2                   | 4.96      | 94  | 9.5                    | 10.53     |
| 81  | 19.4                   | 5.16      | 95  | 8.9                    | 11.24     |
| 82  | 18.5                   | 5.41      | 96  | 8.4                    | 11.91     |
| 83  | 17.7                   | 5.65      | 97  | 7.8                    | 12.83     |
| 84  | 16.8                   | 5.96      | 98  | 7.3                    | 13.70     |
| 85  | 16.0                   | 6.25      | 99  | 6.8                    | 14.71     |
| 86  | 15.2                   | 6.58      | 100 | 6.4                    | 15.63     |
|     |                        |           | 101 | 6.0                    | 16.67     |

\*SECURE 2.0 ACT increased RMD age from 72 to 73 starting January 1, 2023

## CAPITAL GAINS & SOCIAL SECURITY

| SINGLE FILERS        | MARRIED FILING JOINTLY & QUALIFYING WIDOW(ER) | TAX RATE |
|----------------------|---|----------|
| \$0 - \$47,025       | \$0 - \$94,050                                | 0%       |
| \$47,026 - \$518,900 | \$94,051 - \$583,750                          | 15%      |
| Over \$518,900       | Over \$583,750                                | 20%      |

| MARRIED FILING SEPARATELY | HEAD OF HOUSEHOLD    | TRUSTS & ESTATES   | TAX RATE |
|---------------------------|----------------------|--------------------|----------|
| \$0 - \$47,025            | \$0 - \$63,000       | \$0 - \$3150       | 0%       |
| \$47,026 - \$291,850      | \$63,001 - \$551,350 | \$3,151 - \$15,450 | 15%      |
| Over \$291,850            | Over \$551,350       | Over \$15,450      | 20%      |

| MEDICARE TAX ON NET INVESTMENT INCOME        |                      |
|--|----------------------|
| Additional 3.8% Tax on Net Investment Income |                      |
| Single / Head of Household                   | MAGI above \$200,000 |
| Married Filing Separately                    | MAGI above \$125,000 |
| Married Filing Jointly                       | MAGI above \$250,000 |
| Trusts & Estates                             | MAGI above \$12,500  |

| AMT EXEMPTIONS                                 |           |
|--|-----------|
| Single / Head of Household                     | \$85,700  |
| Married Filing Jointly & Qualifying Widow(er)s | \$133,300 |
| Married Filing Separately                      | \$66,650  |

Exemptions phase out beginning with alternative minimum taxable income over \$1,218,700 when Married Filing Jointly and or \$609,350 for all other taxpayers. AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$232,600 for all tax payers except Married Filing Separately is \$116,300.

## SOCIAL SECURITY

| TAXABLE WAGE BASE       |           |           |
|-------------------------|-----------|-----------|
|                         | 2024      | 2023      |
| Social Security (OASDI) | \$168,600 | \$160,200 |
| Medicare (HI only)      | No Limit  | No Limit  |

| RETIREMENT EARNING TEST                   |                  |                  |
|---|------------------|------------------|
|   | 2024             | 2023             |
| <b>Under full retirement age:</b>         | \$22,320/\$1,860 | \$21,240/\$1,770 |
| <b>Year reaching full retirement age:</b> | \$59,520/\$4,960 | \$56,520/\$4,710 |

Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

| AGE TO RECEIVE FULL BENEFITS |                     |                     |
|------------------------------|---------------------|---------------------|
| Year of Birth                | Full Retirement Age | % Reduced at Age 62 |
| 1943 - 1954                  | 66                  | 25.00%              |
| 1955                         | 66 and 2 months     | 25.83%              |
| 1956                         | 66 and 4 months     | 26.67%              |
| 1957                         | 66 and 6 months     | 27.50%              |
| 1958                         | 66 and 8 months     | 28.33%              |
| 1959                         | 66 and 10 months    | 29.17%              |
| 1960 and Later               | 67                  | 30.00%              |

| DELAYED RETIREMENT CREDITS |                         |
|----------------------------|-------------------------|
| Year of Birth              | Yearly Rate of Increase |
| 1943 or later              | 8.00%                   |

Accrues starting at full retirement age until you start receiving benefits or reach age 70.

| TAXABILITY OF BENEFITS (BASED ON PROVISIONAL INCOME) |                     |                        |
|--|---------------------|------------------------|
|  | Individual          | Married Filing Jointly |
| Not taxable  | Less than \$25,000  | Less than \$32,000     |
| Up to 50% taxable                                    | \$25,000 - \$34,000 | \$32,000 - \$44,000    |
| Up to 85% taxable                                    | Over \$34,000       | Over \$44,000          |

Married Filing Separately, Up to 85% of benefits are taxable

Provisional Income = Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefits

## DEDUCTIONS, CREDITS, & EDUCATION

### DEDUCTION FOR STATE & LOCAL TAXES

Individuals may deduct state and local income (or sales) taxes and real and personal property taxes up to \$10,000 (\$5,000 if married filing separately) in the aggregate.

### CHILD TAX CREDIT

- \$2,000 per “qualifying child” (who has not attained age 17 during the year); phased out as modified AGI exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,700 per child is refundable.
- \$500 nonrefundable credit for qualified dependents other than qualifying children (with some modified AGI phaseouts).

### KIDDIE TAX

The first \$1,300 is not taxed, the next \$1,300 is taxed at child’s bracket, amount above the total \$2,600 is taxed at child’s parents’ rates. Earned income is taxed at child’s single tax bracket rates.

### DEDUCTION FOR MORTGAGE INTEREST

- Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits.
- Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence.

### HIGH DEDUCTIBLE HEALTH PLANS

|                                |          |
|--------------------------------|----------|
| Minimum Deductible - Single    | \$1,600  |
| Minimum Deductible - Family    | \$3,200  |
| Maximum Out of Pocket - Single | \$8,050  |
| Maximum Out of Pocket - Family | \$16,100 |

### AMERICAN OPPORTUNITY TAX CREDIT

|                    |                       |
|--------------------|-----------------------|
| Maximum Credit     | \$2,500               |
| Phase-Out - Single | \$80,000 - \$90,000   |
| Phase-Out - Joint  | \$160,000 - \$180,000 |

### COVERDELL EDUCATION SAVINGS ACCOUNT

|                    |                       |
|--------------------|-----------------------|
| Contribution       | \$2,000               |
| Phase-Out - Single | \$95,000 - \$110,000  |
| Phase-Out - Joint  | \$190,000 - \$220,000 |

### LIFETIME LEARNING CREDIT

|                    |                       |
|--------------------|-----------------------|
| Maximum Credit     | \$2,500               |
| Phase-Out - Single | \$80,000 - \$90,000   |
| Phase-Out - Joint  | \$160,000 - \$180,000 |

## DEDUCTIONS FOR PUBLIC CHARITABLE CONTRIBUTIONS

| TYPE OF PROPERTY CONTRIBUTED   | VALUE                | PERCENTAGE LIMITATION <sup>1</sup> |
|--|----------------------|------------------------------------|
| Cash   | Actual dollar amount | 60%                                |
| Appreciated ordinary income property <sup>2</sup> or appreciated short-term capital gain property <sup>3</sup> | Donor’s tax basis    | 50%                                |
| Appreciated long-term capital gain property <sup>4</sup>   |                      |                                    |
| (a) General rule   | Fair market value    | 30%                                |
| (b) Election made to reduce amount of contribution   | Donor’s tax basis    | 50%                                |
| (c) Tangible personal property put to unrelated use by donee charity   | Donor’s tax basis    | 50%                                |

1) The applicable “percentage limitation” applies to the donor’s contribution base, which is the donor’s adjusted gross income (AGI) determined without regard to any net operating loss carryback. The limitation is applied on an annual basis. Any deductible contributions that exceed the current year’s limitations may be carried over and deducted in the five succeeding tax years, subject to the percentage limitations in those years.

2) “Ordinary income property” property that would produce ordinary income if sold by the individual.

3) “Short-term capital gain property” property that would produce a short-term capital gain if sold by the individual.

4) “Long-term capital gain property” property that would produce a long-term capital gain if sold by the individual.

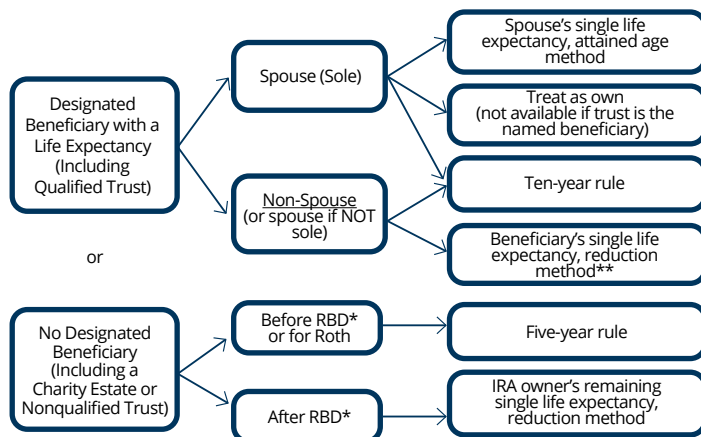
### DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS

| Age | 40 or Less | 41 - 50 | 51 - 60 | 61 - 70 | Over 70 |
|-----|------------|---------|---------|---------|---------|
|     | \$470      | \$880   | \$1,760 | \$4,710 | \$5,880 |

### QUALIFIED LONGEVITY ANNUITY

|                         |           |
|-------------------------|-----------|
| Maximum Premium Allowed | \$200,000 |
|-------------------------|-----------|

### IRA BENEFICIARY OPTIONS



\*RBD defined as “Required Beginning Date” (April 1 following the year a Traditional IRA owner reaches age 72; age 73 if attain age 72 after 2022).

\*\*Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child’s age of majority), disabled, chronically ill, or not more than 10 years younger than the deceased IRA owner.