

2016 Tax Reference Guide

TAX BRACKETS FOR 2016

Taxable income between:

Single	
\$0–\$9,275	10%
\$9,276–\$37,650	15%
\$37,651–\$91,150	25%
\$91,151–\$190,150	28%
\$190,151–\$413,350	33%
\$413,351–\$415,050	35%
\$415,051+	39.6%
Married, filing separately	
\$0–\$9,275	10%
\$9,276–\$37,650	15%
\$37,651–\$75,950	25%
\$75,951–\$115,725	28%
\$115,726–\$206,675	33%
\$206,676–\$233,475	35%
\$233,476+	39.6%
Head of household	
\$0–\$13,250	10%
\$13,251–\$50,400	15%
\$50,401–\$130,150	25%
\$130,151–\$210,800	28%
\$210,801–\$413,350	33%
\$413,351–\$441,000	35%
\$441,001+	39.6%
Married, filing jointly	
\$0–\$18,550	10%
\$18,551–\$75,300	15%
\$75,301–\$151,900	25%
\$151,901–\$231,450	28%
\$231,451–\$413,350	33%
\$413,351–\$466,950	35%
\$466,951+	39.6%
Estates and trusts	
\$0–\$2,550	15%
\$2,551–\$5,950	25%
\$5,951–\$9,050	28%
\$9,051–\$12,400	33%
\$12,401+	39.6%

INCOME TAX

Long-term capital gains and qualified dividend rates	
10%–15% brackets	0%
25%–35% brackets	15%
39.6% bracket	20%
Standard deduction	
Single	\$6,300
Married, filing separately	\$6,300
Head of household	\$9,300
Married, filing jointly	\$12,600
<i>Blind or over 65, \$1,250 if married; \$1,550 if single or head of household</i>	
Personal exemption	\$4,050
Phaseout: Personal exemptions (AGI)	
Single	\$259,400–\$381,900
Filing separately	\$155,650–\$216,900
Head of household	\$285,350–\$407,850
Filing jointly	\$311,300–\$433,800
Kiddie tax exemption	\$1,050
Medicare Tax	
Additional Medicare payroll tax	0.9%
<i>(applies to an individual's wages/self-employment income exceeding*)</i>	
Unearned income Medicare tax	3.8%
<i>(applies to lesser of net investment income or MAGI exceeding*)</i>	
*Medicare Tax Thresholds	
Single	\$200,000
Married, filing separately	\$125,000
Married, filing jointly	\$250,000
Estates and Trusts	\$12,400
Phaseout: Itemized deductions (AGI)	
Single	\$259,400
Married, filing separately	\$155,650
Head of household	\$285,350
Married, filing jointly	\$311,300
Capital loss limitation	
Single	\$3,000
Married, filing separately	\$1,500
Married, filing jointly	\$3,000
<i>If your capital loss exceeds your capital gains.</i>	

ESTATE, GIFT, & GENERATION SKIPPING TAX

Annual gift exclusion	\$14,000
Highest transfer tax rate	40%
Estate tax exclusion	\$5,450,000 ¹
Gift tax exclusion	\$5,450,000 ¹
Generation-skipping transfer tax exemption	\$5,450,000 ²

¹Plus DSUEA (Deceased Spousal Unused Exclusion Amount)

²GST exemption is not portable.

EDUCATION

529 Plan contributions	\$14,000 per yr.
<i>(annual gift exclusion value)</i>	
Accelerate five years of gifting into one year per individual/couple	\$70,000/\$140,000
American Opportunity Education Tax Credit	
Maximum credit	\$2,500
Phaseout—Single	\$80,000–\$90,000
Phaseout—Married, filing jointly	\$160,000–\$180,000
Lifetime learning credits	
Maximum credit	\$2,000
Phaseout—Single	\$55,000–\$65,000
Phaseout—Married, filing jointly	\$111,000–\$131,000
Coverdell Education Savings Account	
Contribution	\$2,000
Phaseout for Coverdell Contributions	
Single	\$95,000–\$110,000
Married, filing jointly	\$190,000–\$220,000
Student Loan Interest	
Deduction Limit	\$2,500
Phaseout for Interest Deduction	
Single	\$65,000–\$80,000
Married, filing jointly	\$130,000–\$160,000

RETIREMENT

IRA and Roth contributions	
Under age 50	\$5,500
Age 50 and over	\$6,500
Phaseout: IRA deductibility (MAGI)	
<i>Contribution for qualified plan participant (fully deductible if not a participant)</i>	
Single or head of household	\$61,000–\$71,000
Married, filing separately	\$0–\$10,000
Married, filing jointly	\$98,000–\$118,000
Spousal IRA	\$184,000–\$194,000
Phaseout: Roth contribution eligibility (MAGI)	
Single	\$117,000–\$132,000
Married, filing separately	\$0–\$10,000
Married, filing jointly	\$184,000–\$194,000
SEP contribution: Lesser of \$53,000 or 25% of compensation. Minimum compensation to participate in SEP is \$600.	
SIMPLE elective deferral	
Under age 50	\$12,500
Age 50 & over	\$15,500
401(k), 402(g), 403(b), 457, and SARSEP	
Age 50 & over	\$24,000
Limit on additions to defined contribution plan	
Annual benefit limit on defined benefit plan	\$210,000
Highly compensated employee earns	\$120,000
Annual compensation taken into account for qualified plans	\$265,000

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