



2018 Tax Rates, Schedules, and Contribution Limits

Income tax

	If taxable income is over	But not over	The tax is	Of the amount over
Married/Filing jointly and qualifying widow(er)s	\$0	\$19,050	\$0.00 + 10%	\$0
	19051	77400	1905 + 12%	19050
	77401	165000	8907 + 22%	77400
	165001	315000	28179 + 24%	165000
	315001	400000	64179 + 32%	315000
	400001	600000	91379 + 35%	400000
	600000	—	161379 + 37%	600000
Single	\$0	\$9,525	\$0.00 + 10%	\$0
	9,326	38700	952.50 + 12%	9325
	38701	82500	4453.50 + 22%	38700
	82501	157500	14089.50 + 24%	82500
	157501	200000	32089.5 + 32%	157500
	200001	500000	45689.5 + 35%	200000
	500000	—	150689.5 + 37%	500000
Estates and trusts	\$0	\$2,550	\$0.00 + 10%	\$0
	2,550	9150	255 + 24%	2,550
	9151	12500	1839.00 + 35%	9150
	12500	—	3011.50 + 37%	12500

Corporate tax

C-Corporation Tax rate	21% Flat Tax Rate
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Standard deductions

	Annual	Additional age 65+ or blind
Married/Filing jointly and qualifying widow(er)s	\$24000	\$2,600
Single	\$12000	\$1,600
Head of household	\$18000	\$1,600

Employer retirement plans

Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)	\$18,000
Catch-up contribution limit for 401(k), 403(b), and 457 plans	6,000
Maximum elective deferral to SIMPLE IRA plans	12,500
Catch-up contribution limit for SIMPLE plans	3,000

Maximum elective deferral to 457 plans of gov't and tax-exempt employers	18,000
Limit on annual additions to defined contribution plans	54,000
Annual compensation threshold requiring SEP contribution	600
Limit on annual additions to SEP plans	54,000
Maximum annual compensation taken into account for contributions	270,000
Annual benefit limit under defined benefit plans	215,000
Limitation used in definition of highly compensated employee	120,000
Health flexible spending account maximum salary reduction contribution	2,600

Sources: IRS and Social Security Administration updates 2016.

Tax on capital gains and qualified dividends

Tax bracket	Short-term capital gains (≤ 12 months)	Long-term capital gains and qualified dividends (> 12 months)
10%, 15% brackets	Ordinary rate	0%
25%, 28%, 33%, 35% brackets	Ordinary rate	15%
39.6% bracket	Ordinary rate	20%

Additional 3.8% federal net investment income (NII) tax applies to individuals on the lesser of NII or modified AGI in excess of \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s). Also applies to any trust or estate on the lesser of undistributed net income or AGI in excess of the dollar amount at which the estate/trust pays income taxes at the highest rate.

Kiddie tax*

\$0 to \$1,050	0%
Earned income > \$1,050	Child's tax rate
Unearned income > \$1,050, ≤ \$2,100	Child's tax rate
Unearned income > \$2,100	Generally, the parent's highest marginal tax rate

* Applies if child has not attained age 18 by close of the year

If a child's earned income represents not more than one half of support needs, the kiddie tax generally also applies to unearned income of children who have not attained age 19 by the close of the year, and children who are full-time students and have not attained age 24 as of the close of the year.

Preferential rates on long-term capital gains and qualified dividends are applicable; 3.8% federal NII tax is imposed separately on each child

Child tax credit

\$1,000 per child; phases out \$50 for each \$1,000 of modified AGI (rounded up to the next \$1,000 increment) over \$110,000 (married/filing jointly) or \$75,000 (single)

Personal exemptions and itemized deductions



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Married/Filing jointly and qualifying widow(er)s	\$4,050 each
Single	\$4,050

Personal exemptions and itemized deductions phase out beginning with AGI over \$261,500 (single) or \$313,800 (married/filing jointly and qualifying widow(er)s)

Maximum Qualified Long-Term-Care insurance premiums eligible for deduction

Age	40 or less	>40, ≤50	>50, ≤60	>60, ≤70	Over 70
2018	\$410	\$770	\$1,530	\$4,090	\$5,110

Qualified LTC contract per diem limit: \$360

2018 filing requirements for children and other dependents

Single dependent under age 65, not blind, and any of these apply:

Your unearned income was more than \$1,050.

Your earned income was more than \$6,300.

Your gross income was more than the larger of:
\$1,050

Your earned income up to \$5,950 plus \$350

Roth IRAs

Maximum annual contribution Lesser of compensation or \$5,500 Up to \$5,500 contribution can also be made for nonworking spouse Catch-up contributions (Taxpayers age 50 and over): \$1,000
Contribution eligibility Modified AGI is less than \$118,000 (single) or \$186,000 (married/filing jointly); phaseouts apply if Modified AGI is \$118,000–\$132,999 (single) or \$186,000–\$195,999 (married/filing jointly)
Deductibility Contributions to Roth IRAs are not deductible
Conversion eligibility There is no modified AGI restriction on eligibility for a Roth IRA conversion

Traditional IRAs

Maximum annual contribution (must be under age 70 1/2)

Lesser of compensation or \$5,500

Up to \$5,500 contribution can also be made for nonworking spouse
Catch-up contributions (Taxpayers age 50 and over): \$1,000

Traditional IRA deductibility table

Filing status	Covered by employer's retirement plan	Modified AGI 2016	Modified AGI 2018	Deductibility
Single	No	Any amount	Any amount	Full
	Yes	\$61,000 or less	\$62,000 or less	Full
	Yes	\$61,001–\$70,999	\$62,001–\$71,999	Partial
	Yes	\$71,000 or more	\$72,000 or more	None
Married/Jointly	Neither spouse covered	Any amount	Any amount	Full
Married/Jointly	Both spouses covered	\$98,000 or less	\$99,000 or less	Full
		\$98,001–\$117,999	\$99,001–\$118,999	Partial
		\$118,000 or more	\$119,000 or more	None
Married/Jointly	Yes, but spouse is not covered	\$98,000 or less \$98,001–\$117,999 \$118,000 or more	\$99,000 or less \$99,001–\$118,999 \$119,000 or more	Full Partial None
Married/Jointly	No, but spouse is covered	\$184,000 or less \$184,001–\$193,999 \$194,000 or more	\$186,000 or less \$186,001–\$195,999 \$196,000 or more	Full Partial None

Base amount of modified AGI causing Social Security benefits to be taxable

	Up to 50% taxable	Up to 85% taxable
Married/Filing jointly	\$32,001–\$44,000	> \$44,000
Single	\$25,001–\$34,000	> \$34,000

Maximum earnings before Social Security benefits are reduced

Under full retirement age (\$1 withheld for every \$2 above limit)	\$16,920
Full retirement age and over	No limit*



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* Interim annual limit of \$44,880 applies for months prior to attaining full retirement age during year individual reaches full retirement age (\$1 withheld for every \$3 above limit).
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 For informational purposes only. Not an investment recommendation.

Maximum compensation subject to FICA taxes

OASDI (Soc. Sec.) maximum	\$127,200
HI (Medicare) maximum	No limit

OASDI and HI tax rate: 12.4% OASDI and 2.9% HI (15.3% combined) for self-employed; 6.2% and 1.45% (7.65% combined) for employees. An additional 0.9% HI tax applies on individuals with wages or self-employment income in excess of \$200,000 (single and qualifying widow(ers) or \$250,000 (married/filing jointly).

Death/gifts occurring in 2018* (subtract applicable credit from calculated tax)

If gift/gross estate is over	But not over	The tax is	Of the amount 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

Annual gift tax exclusion (2018): Individual, \$14,000; Married electing split gifts, \$28,000
 Combined lifetime gift tax and gross estate tax exemption: \$5,490,000
 GST tax exemption: \$5,490,000

Modified AGI phaseouts for American Opportunity Tax Credit

Married/Filing jointly	\$160,001–\$179,999
Others	\$80,001–\$89,999

Modified AGI phaseouts for Lifetime Learning Credit

Married/Filing jointly	\$112,001–\$131,999
Single	\$56,001–\$65,999

Modified AGI phaseouts for exclusion of U.S. Savings Bond Income used for higher education expenses

Married/Filing jointly	\$117,251–\$147,249
Others	\$78,151–\$93,149

Modified AGI phaseouts for contributions to Coverdell Education Savings Accounts Maximum contribution: \$2,000 per beneficiary, per year

Married/Filing jointly	\$190,001–\$219,999
Single	\$95,001–\$109,999

2018 AMT exemptions

Single	\$54,300
Married/Filing jointly and qualifying widow(ers)	\$84,500
Estates and trusts	\$24,100

Phases out beginning with alternative minimum taxable income over \$120,700 (single) or \$160,900 (married/filing jointly and qualifying widow(ers) or \$80,450 (estates and trusts). AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$187,800 (married/filing jointly and qualifying widow(ers), single, and estates and trusts).

2018 filing requirements for most people

Gross income requirements for each filing status are:

Single	Married filing jointly	Married filing separately	Qualifying widow(er) with a dependent child	Head of household
\$10400 if under age 65 \$11950 if 65 and older	\$20800 if both under 65 \$22050 if 1 spouse is 65 or older \$23300 if both 65 or older	—\$4050 at any age	\$16750 if under 65 \$17,850 if 65 or older	\$13400 if under 65 \$14,800 if 65 or older