

2023 Tax Facts

ORDINARY TAX RATES AND BRACKETS

	Taxable Income	Pay	% on excess	Of the amount over:
Single	\$0 – 11,000	\$0	10%	\$0
	11,001 – 44,725	1,100	12	11,000
	44,726 – 95,375	5,147	22	44,725
	95,376 – 182,100	16,290	24	95,375
	182,101 – 231,250	37,104	32	182,100
	231,251 – 578,125	52,832	35	231,250
578,126+	174,238.25	37	578,125	
Married Filing Jointly	\$0 – \$22,000	\$0	10%	\$0
	22,001 – 89,450	2,200	12	22,000
	89,451 – 190,750	10,294	22	89,450
	190,751 – 364,200	32,580	24	190,750
	364,201 – 462,500	74,208	32	364,200
	462,501 – 693,750	105,664	35	462,500
693,751+	186,601.50	37	693,750	
Married Filing Separately	\$0 – 11,000	\$0	10%	\$0
	11,001 – 44,725	1,100	12	11,000
	44,726 – 95,375	5,147	22	44,725
	95,376 – 182,100	16,290	24	95,375
	182,101 – 231,250	37,104	32	182,100
	231,251 – 346,875	52,832	35	231,250
346,876+	93,300.75	37	346,875	
Head of Household	\$0 – \$15,700	\$0	10%	\$0
	15,701 – 59,850	1,570	12	15,700
	59,851 – 95,350	6,868	22	59,850
	95,351 – 182,100	14,678	24	95,350
	182,101 – 231,250	35,498	32	182,100
	231,251 – 578,100	51,226	35	231,250
578,101+	172,623.50	37	578,100	
Estates and Non-Grantor Trusts	\$0 – \$2,900	\$0	10%	\$0
	2,901 – 10,550	290	24	2,900
	10,551 – 14,450	2,126	35	10,550
	14,451+	3,491	37	14,450

- The tax rate on long-term capital gains and qualified dividends is also based on a bracketed system using taxable income:

Long-Term Capital Gain Tax Rate	Single	Married Filing Joint	Married Filing Separately	Head of Household	Estates & Non-Grantor Trusts
0%	\$0 – 44,625	\$0 – 89,250	\$0 – 44,625	\$0 – 59,750	\$0 – 3,000
15%	44,626 – 492,300	89,251 – 553,850	44,626 – 276,900	59,751 – 523,050	3,001 – 14,650
20%	492,301+	553,851+	276,901+	523,051+	14,651+

- In addition, married taxpayers with Modified AGI over \$250,000 (\$200,000 if Single; \$125,000 if Married Filing Separately) and estates/non-grantor trusts in the top tax bracket are subject to an additional 3.8% tax on Net Investment Income.

STANDARD DEDUCTION / PERSONAL EXEMPTIONS

		2023	2022	2021
Single		\$13,850	\$12,950	\$12,550
Married, filing jointly		27,700	25,900	25,100
Married, filing separately		13,850	12,950	12,550
Head of Household		20,800	19,400	18,800
Additional deduction for age 65+ or blind – married		1,500	1,400	1,350
Additional deduction for age 65+ or blind – single		1,850	1,750	1,700
Personal Exemption		0	0	0
AGI where itemized deduction/personal exemption phase-outs begin	Single	N/A	N/A	N/A
	Married Filing Joint	N/A	N/A	N/A
	Married Filing Separate	N/A	N/A	N/A
	Head of Household	N/A	N/A	N/A

- Personal exemptions and the phaseout of itemized deductions are both repealed as of 2018 but are scheduled to be reinstated after 2025.

KIDDIE TAX

	2023	2022	2021
Standard Deduction for dependent with no earned income	\$1,250	\$1,150	\$1,100
Maximum net unearned income taxed at child's rate (using the tax rates & brackets for a single filer)	1,250	1,150	1,100
Floor beyond which additional unearned income is taxed at the parent's tax rate	2,500	2,300	2,200
Floor beyond which additional unearned income is taxed at the trust tax rates	N/A	N/A	N/A

- The standard deduction for a dependent is the greater of (i) \$1,250 or (ii) the sum of \$400 and the individual's earned income.

ALTERNATIVE MINIMUM TAX

	2023 Taxable Income	Pay	Plus % on excess	Of the amount over:
Single, Head of Household, Married Filing Joint, Trusts	\$0 – 220,700		26%	\$0
	220,701 and above	\$57,382	28%	220,700
Married Filing Separate	0 – 110,350		26%	0
	110,351 and above	\$28,691	28%	110,350

- For AMT purposes, long-term capital gains and qualified dividends are taxed at either 15% or 20%, using the same income thresholds as for regular tax.

AMT Personal Exemption	2023	2022	2021
Single	\$81,300	\$75,900	\$73,600
Married Filing Joint	126,500	118,100	114,600
Married Filing Separate	63,250	59,050	57,300
Head of Household	81,300	75,900	73,600

- For 2023, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$1,156,300 and above \$578,150 for all other taxpayers. The amount of exemption lost equals 25% of AMTI over the applicable threshold.

RETIREMENT PLAN CONTRIBUTION LIMITS

Traditional & Roth IRAs	2023	2022	2021
IRA and Roth IRA regular contributions	\$6,500	\$6,000	\$6,000
IRA and Roth IRA catch-up contributions	1,000	1,000	1,000
MAGI phaseout range for IRA deduction - single	73,000-83,000	68,000-78,000	66,000-76,000
MAGI phaseout range for IRA deduction - married	116,000-136,000	109,000-129,000	105,000-125,000
Roth IRA contribution MAGI range – single	138,000-153,000	129,000-144,000	125,000-140,000
Roth IRA contribution MAGI range – married	218,000-228,000	204,000-214,000	198,000-208,000

- Catch-up contributions to IRAs and employer plans are available to taxpayers age 50 and older by 12/31/23.
- MAGI is defined as Adjusted Gross Income minus income from Roth conversions plus any deductions taken for: IRA contributions, student loan interest, excluded foreign income, half of SE tax, excluded interest from savings bonds used for education, and excluded employer-provided adoption benefits.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$218,000 and \$228,000 for 2023 (\$204,000 and \$214,000 for 2022).
- If neither spouse is covered by a qualified plan, there is no phaseout range for Traditional IRA deductions.

Employer Plans	2023	2022	2021
401(k), 403(b) regular contributions	\$22,500	\$20,500	\$19,500
401(k), 403(b) catch-up contributions	7,500	6,500	6,500
Profit Sharing or MPP	66,000	61,000	58,000
Individual 401(k) (Salary Deferral + Profit Sharing)	66,000	61,000	58,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	73,500	67,500	64,500
SIMPLE IRA regular contributions	15,500	14,000	13,500
SIMPLE IRA catch-up contributions	3,500	3,000	3,000
SEP plan contributions	66,000	61,000	58,000
Total Defined Contribution plan contributions	66,000	61,000	58,000
Maximum compensation for plan benefit	330,000	305,000	290,000

SOCIAL SECURITY TAXES AND BENEFITS

	2023	2022	2021
Maximum wages subject to FICA tax	\$160,200	\$147,000	\$142,800
Maximum earned income before reduction in SS benefits (up to full retirement age)	21,240	19,560	18,960
Maximum SS benefit, retiring at full retirement age	3,627/mo	3,345/mo	3,148/mo

- Earned income above threshold, for taxpayers younger than full retirement age, results in reduced Social Security benefits. Benefit amount is reduced by \$1 for every \$2 over the \$21,240 threshold.

Taxability of Benefits	Single, Head of Household, Married Filing Separate	Married Filing Joint	Taxable Portion of Benefits
Income Level	\$0 - 25,000	\$0 - 32,000	0%
	25,000 - 34,000	32,000 - 44,000	Up to 50%
	Over 34,000	Over 44,000	Up to 85%

- Income for purposes of this test includes:
 1. All income from investments, retirement plans, businesses, & all other sources
 2. Any tax-exempt interest included on line 2a of Form 1040
 3. Half the gross Social Security benefit itself

MEDICARE INCOME-RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)

Taxpayers with a modified adjusted gross income (MAGI) above a certain amount may be required to pay an Income Related Monthly Adjustment Amount (IRMAA) in addition to their Part B or Part D premium. Medicare will use the MAGI reported on the taxpayer's 2021 tax return in determining their 2023 IRMAA.

2021 Modified Adjusted Gross Income (AGI + Tax-Exempt Income)			Premium Adjustment	
Single	Married Filing Joint	Married Filing Separately	Part B	Part D
≤ \$97,000	≤ \$194,000	≤ \$97,000	\$0	\$0
97,001 - 123,000	194,001 - 246,000	n/a	65.90	12.20
123,001 - 153,000	246,001 - 306,000	n/a	164.80	31.50
153,001 - 183,000	306,001 - 366,000	n/a	263.70	50.70
183,001 - 499,999	366,001 - 749,999	97,001 - 402,999	362.60	70.00
≥ 500,000	≥ 750,000	≥ 403,000	395.60	76.40

HEALTH SAVINGS ACCOUNTS

	2023	2022	2021
Contribution Limit – Single Coverage	\$3,850	\$3,650	\$3,600
Contribution Limit – Family Coverage	7,750	7,300	7,200
Catch-up Contribution	1,000	1,000	1,000
Minimum Deductible – Single	1,500	1,400	1,400
Minimum Deductible – Family	3,000	2,800	2,800

- Catch-up contributions to HSAs are available to account holders age 55 and older by 12/31/23.
- The Minimum Deductible shown above is the minimum amount allowed for the plan to be considered a High Deductible Plan
- Out of pocket expenses under the plan can't exceed \$7,500 for singles, \$15,000 for a family.

ESTATE PLANNING

Decedents Dying In:	Lifetime Exemption Amount	Tax Rate
2010	\$5 million, but estates may elect no estate tax, with capital gain tax on appreciation above \$1.3 million	35%
2011	5,000,000	35%
2012	5,120,000	35%
2013	5,250,000	40%
2014	5,340,000	40%
2015	5,430,000	40%
2016	5,450,000	40%
2017	5,490,000	40%
2018	11,180,000	40%
2019	11,400,000	40%
2020	11,580,000	40%
2021	11,700,000	40%
2022	12,060,000	40%
2023	12,920,000	40%

- Individuals may use the full \$12,920,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$25,840,000). The 40% gift tax rate applies to gifts above the exemption amount.

	2023	2022	2021
Annual Gift Tax exclusion	\$17,000	\$16,000	\$15,000

- The annual exclusion is indexed for inflation, but increases are only made in \$1,000 increments. Adjustments typically occur every few years.