

TAX POCKET GUIDE 2017



DiLorenzo & Company
Certified Public Accountants

BUSINESS

Depreciation

36-Month Assets (Straight-Line)

Most software

3-Year Assets (200% DB)

Dies, molds, small tools, certain horses, tractor units

5-Year Assets (200% DB)

Autos, computers, office machinery, taxis, buses, trucks, cattle, private aircraft, appliances, carpeting, furniture

7-Year Assets (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

7-Year Assets (150% DB)

Farm equipment

15-Year Assets (150% DB)

Land improvements, retail fuel outlets, leasehold property, restaurant property

27.5-Year Assets (Straight-Line)

Rental houses, apartments, low-income housing, furnaces, water pipes, venting

39-Year Assets (Straight-Line)

Nonresidential buildings

Personal Property Depreciation

Percent of Original Depreciable Basis under 200% DB Method
(Not applicable for mid-quarter convention)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

Section 179 Expense

	2017	2016
Maximum expense election	\$ 510,000	\$ 500,000
Phaseout threshold	\$ 2,030,000	\$ 2,010,000

CORPORATE INCOME TAX RATES

Regular Tax

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 50,000	15%	\$ 0
\$ 50,001 – \$ 75,000	\$ 7,500 + 25%	\$ 50,000
\$ 75,001 – \$ 100,000	\$ 13,750 + 34%	\$ 75,000
\$ 100,001 – \$ 335,000	\$ 22,250 + 39%	\$ 100,000
\$ 335,001 – \$10,000,000	\$ 113,900 + 34%	\$ 335,000
\$10,000,001 – \$15,000,000	\$3,400,000 + 35%	\$10,000,000
\$15,000,001 – \$18,333,333	\$5,150,000 + 38%	\$15,000,000
\$18,333,334 and above	a flat 35%	

Personal Service Corporations — 35% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

ESTATE AND GIFT TAXES

Estate Taxes

	2017	2016
Estate tax exemption	\$ 5,490,000	\$ 5,450,000
Unified estate tax credit	\$ 2,141,800	\$ 2,125,800
Top estate tax rate	40%	40%

Gift Taxes

	2017	2016
Lifetime gift tax exemption	\$ 5,490,000	\$ 5,450,000
Annual gift tax exclusion		
Gifts per person	\$ 14,000	\$ 14,000
Joint gifts by spouse	\$ 28,000	\$ 28,000
Top gift tax rate	40%	40%

LONG-TERM CARE INSURANCE

If you are: You may deduct this much of your annual premiums

	2017	2016
Over 70	\$ 5,110	\$ 4,870
61 to 70	\$ 4,090	\$ 3,900
51 to 60	\$ 1,530	\$ 1,460
41 to 50	\$ 770	\$ 730
40 and under	\$ 410	\$ 390

CAPITAL GAINS - 2017 & 2016

Holding Period	Top Capital Gains Rate	
	2017	2016
12 months or less	39.6% ¹	39.6% ¹
More than 12 months	20% ^{1,2}	20% ^{1,2}
Depreciation recapture on real estate	25%	25%
Collectibles and certain small business stock	28%	28%

¹ Capital gain rates may be subject to an additional 3.8% Medicare tax. ² Rate for taxpayers in the top income bracket. (Middle income tax brackets pay 15%.)

COVERDELL ESAS - 2017 & 2016

	2017	2016
• Contribution limit	\$ 2,000 per beneficiary	\$ 2,000 per beneficiary
• AGI phaseouts:*		
Joint filers	\$ 190,000 – \$ 220,000	\$ 190,000 – \$ 220,000
Individual filers	\$ 95,000 – \$ 110,000	\$ 95,000 – \$ 110,000

* Phaseout applies to the contributor, not the beneficiary.

STANDARD MILEAGE RATES

Use	2017	2016
Business	53.5¢ per mile	54¢ per mile
Moving	17¢ per mile	19¢ per mile
Medical	17¢ per mile	19¢ per mile
Charitable	14¢ per mile	14¢ per mile

This publication is distributed with the understanding that the publisher and distributor are not rendering legal, accounting, or other professional advice and assume no liability whatsoever in connection with its use. © 2017 MHM Publications Inc.

2017 INDIVIDUAL INCOME TAX RATES*

Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 18,650	..... 10%	\$ 0
\$ 18,651 – \$ 75,900	\$ 1,865 + 15%	\$ 18,650
\$ 75,901 – \$ 153,100	\$ 10,453 + 25%	\$ 75,900
\$ 153,101 – \$ 233,350	\$ 29,753 + 28%	\$ 153,100
\$ 233,351 – \$ 416,700	\$ 52,223 + 33%	\$ 233,350
\$ 416,701 – \$ 470,700	\$112,728 + 35%	\$ 416,700
\$ 470,701 and above	\$131,628 + 39.6%	\$ 470,700

Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,325	..... 10%	\$ 0
\$ 9,326 – \$ 37,950	\$ 933 + 15%	\$ 9,325
\$ 37,951 – \$ 76,550	\$ 5,227 + 25%	\$ 37,950
\$ 76,551 – \$ 116,675	\$ 14,877 + 28%	\$ 76,550
\$ 116,676 – \$ 208,350	\$ 26,112 + 33%	\$ 116,675
\$ 208,351 – \$ 235,350	\$ 56,364 + 35%	\$ 208,350
\$ 235,351 and above	\$ 65,814 + 39.6%	\$ 235,350

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,325	..... 10%	\$ 0
\$ 9,326 – \$ 37,950	\$ 933 + 15%	\$ 9,325
\$ 37,951 – \$ 91,900	\$ 5,227 + 25%	\$ 37,950
\$ 91,901 – \$ 191,650	\$ 18,714 + 28%	\$ 91,900
\$ 191,651 – \$ 416,700	\$ 46,644 + 33%	\$ 191,650
\$ 416,701 – \$ 418,400	\$120,911 + 35%	\$ 416,700
\$ 418,401 and above	\$121,506 + 39.6%	\$ 418,400

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 13,350	..... 10%	\$ 0
\$ 13,351 – \$ 50,800	\$ 1,335 + 15%	\$ 13,350
\$ 50,801 – \$ 131,200	\$ 6,953 + 25%	\$ 50,800
\$ 131,201 – \$ 212,500	\$ 27,053 + 28%	\$ 131,200
\$ 212,501 – \$ 416,700	\$ 49,817 + 33%	\$ 212,500
\$ 416,701 – \$ 444,550	\$117,203 + 35%	\$ 416,700
\$ 444,551 and above	\$126,950 + 39.6%	\$ 444,550

2017 Qualified Dividend Income 15%* (0% for lower tax brackets)
 *Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).
 Note: Tax amounts have been rounded up to nearest dollar.

2016 INDIVIDUAL INCOME TAX RATES*

Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 18,550	..... 10%	\$ 0
\$ 18,551 – \$ 75,300	\$ 1,855 + 15%	\$ 18,550
\$ 75,301 – \$ 151,900	\$ 10,368 + 25%	\$ 75,300
\$ 151,901 – \$ 231,450	\$ 29,518 + 28%	\$ 151,900
\$ 231,451 – \$ 413,350	\$ 51,792 + 33%	\$ 231,450
\$ 413,351 – \$ 466,950	\$111,819 + 35%	\$ 413,350
\$ 466,951 and above	\$130,579 + 39.6%	\$ 466,950

Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,275	..... 10%	\$ 0
\$ 9,276 – \$ 37,650	\$ 928 + 15%	\$ 9,275
\$ 37,651 – \$ 75,950	\$ 5,184 + 25%	\$ 37,650
\$ 75,951 – \$ 115,725	\$ 14,759 + 28%	\$ 75,950
\$ 115,726 – \$ 206,675	\$ 25,896 + 33%	\$ 115,725
\$ 206,676 – \$ 233,475	\$ 55,909 + 35%	\$ 206,675
\$ 233,476 and above	\$ 65,289 + 39.6%	\$ 233,475

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,275	..... 10%	\$ 0
\$ 9,276 – \$ 37,650	\$ 928 + 15%	\$ 9,275
\$ 37,651 – \$ 91,150	\$ 5,184 + 25%	\$ 37,650
\$ 91,151 – \$ 190,150	\$ 18,559 + 28%	\$ 91,150
\$ 190,151 – \$ 413,350	\$ 46,279 + 33%	\$ 190,150
\$ 413,351 – \$ 415,050	\$119,935 + 35%	\$ 413,350
\$ 415,051 and above	\$120,530 + 39.6%	\$ 415,050

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 13,250	..... 10%	\$ 0
\$ 13,251 – \$ 50,400	\$ 1,325 + 15%	\$ 13,250
\$ 50,401 – \$ 130,150	\$ 6,898 + 25%	\$ 50,400
\$ 130,151 – \$ 210,800	\$ 26,835 + 28%	\$ 130,150
\$ 210,801 – \$ 413,350	\$ 49,417 + 33%	\$ 210,800
\$ 413,351 – \$ 441,000	\$116,259 + 35%	\$ 413,350
\$ 441,001 and above	\$125,936 + 39.6%	\$ 441,000

2016 Qualified Dividend Income 15%* (0% for lower tax brackets)
 * Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).
 Note: Tax amounts have been rounded up to nearest dollar.

PERSONAL EXEMPTIONS

	2017	2016
Deduction for each taxpayer, spouse, and dependent	\$ 4,050	\$ 4,050
There is an AGI phaseout beginning at:		
Married, filing jointly	\$313,800	\$ 311,300
Married, filing separately	\$156,900	\$ 155,650
Single	\$261,500	\$ 259,400
Head of household	\$287,650	\$ 285,350

STANDARD DEDUCTION

	2017*	2016
Married, filing jointly	\$12,700	\$12,600
Married, filing separately	\$ 6,350	\$ 6,300
Single	\$ 6,350	\$ 6,300
Head of household	\$ 9,350	\$ 9,300
Additional — blind or elderly		
Single	\$ 1,550	\$ 1,550
Married	\$ 1,250	\$ 1,250

* Deduct the greater of standard or itemized deductions.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2017	2016
Individual Retirement Accounts (IRAs)*	\$ 5,500	\$ 5,500
Section 401(k) plans or SAR-SEPs*	\$ 18,000	\$ 18,000
Section 403(b) plans*	\$ 18,000	\$ 18,000
Section 408(p)(2)(E) SIMPLE contributions*	\$ 12,500	\$ 12,500
Section 457(b)(2) limit*	\$ 18,000	\$ 18,000
Section 415 limit for:		
Defined contribution plans**	\$ 54,000	\$ 53,000
Defined benefit plans	\$ 215,000	\$ 210,000
Highly compensated employees Section 414(q)	\$ 120,000	\$ 120,000
FICA taxable wage base		
Social Security	\$ 127,200	\$ 118,500
Medicare (tax rate 1.45% for employees; 2.90% for self-employed)***	No limit	No limit

* Age 50 additional contributions

401(k) type plans	\$ 6,000	\$ 6,000
SIMPLEs	\$ 3,000	\$ 3,000
IRAs	\$ 1,000	\$ 1,000

** The Section 415 compensation limit for defined contribution plans is \$270,000.

*** An additional tax rate of 0.9% on wages in excess of \$200,000 may apply.

Roth IRAs

AGI limit for maximum contributions:	2017	2016
Joint filers	\$ 186,000	\$ 184,000
Individual filers	\$ 118,000	\$ 117,000

The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

SOCIAL SECURITY

Annual Earned Income Limit	2017	2016
Under full retirement age	\$ 16,920	\$ 15,720
Full retirement age	No Limit	No Limit

For people reaching full retirement age in 2017, the limit is \$44,880 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

Contribution Limits	2017	2016
Individual, self-only	\$ 3,400	\$ 3,350
Family Coverage	\$ 6,750	\$ 6,750
Catch-up for those age 55 and older	\$ 1,000	\$ 1,000

For 2017, the minimum deductible for a high-deductible health plan (HDHP) is \$1,300 for self-only coverage and \$2,600 for family coverage. The maximum out-of-pocket limit is \$6,550 for self-only coverage and \$13,100 for family plans.

ALTERNATIVE MINIMUM TAX

AMT Exemptions	2017	2016
Married, filing jointly	\$ 84,500	\$ 83,800
Married, filing separately	\$ 42,250	\$ 41,900
Single	\$ 54,300	\$ 53,900
Head of household	\$ 54,300	\$ 53,900