

## RETIREMENT BENEFIT LIMITS

Benefit	Limit
Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 18,000
Contributions to defined contribution plans	\$ 54,000
Contributions to SIMPLEs	\$ 12,500
Contributions to IRAs	\$ 5,500
Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 6,000
Catch-up contributions to SIMPLEs	\$ 3,000
Catch-up contributions to IRAs	\$ 1,000
Compensation for benefit purposes for qualified plans and SEPs	\$270,000
Highly compensated employee threshold	\$120,000
Annual benefit for defined benefit plans	\$215,000

## EARNINGS THRESHOLDS FOR PHASEOUT OF SOCIAL SECURITY BENEFITS

Retirement age status	Earnings limit
Before Full Retirement Age (FRA)	\$16,920 per year
Pre-FRA in year you reach FRA	\$3,740 per month
FRA and after	None

## ESTATE AND TRUST INCOME TAX RATES

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 2,550	15%	\$ 0
\$ 2,551 – \$ 6,000	\$ 382.50 + 25%	\$ 2,550
\$ 6,001 – \$ 9,150	\$ 1,245.00 + 28%	\$ 6,000
\$ 9,151 – \$12,500	\$ 2,127.00 + 33%	\$ 9,150
Over \$12,500	\$3,232.50 + 39.6%	\$12,500

## GIFT AND ESTATE TAX EXEMPTIONS AND RATES

Year	Exemption	Top rate
2016	\$5,450,000	40%
2017	\$5,490,000	40%

A surviving spouse may be able to use the deceased spouse's unused estate tax exemption. The annual gift tax exclusion is \$14,000 per recipient (\$28,000 if spouses elect "split-gift" treatment).

## CORPORATE INCOME TAX RATES

If taxable income is ...	... 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
Over \$18,333,333	\$ 0 + 35%	\$ 0

Qualified personal service corporations are taxed at a flat 35% rate.

## BONUS DEPRECIATION

2016	2017
50%	50%

## SECTION 179 EXPENSING

	2016	2017
Expensing limit	\$ 500,000	\$ 510,000
Phaseout threshold	\$ 2,010,000	\$2,030,000

## TAX



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## 2017 FEDERAL TAX RATES

Effective January 1, 2017

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## INDIVIDUAL INCOME TAX RATES<sup>1</sup>

### Single

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 9,325	10%	\$ 0
\$ 9,326 – \$ 37,950	\$ 932.50 + 15%	\$ 9,325
\$ 37,951 – \$ 91,900	\$ 5,226.25 + 25%	\$ 37,950
\$ 91,901 – \$191,650	\$ 18,713.75 + 28%	\$ 91,900
\$ 191,651 – \$416,700	\$ 46,643.75 + 33%	\$ 191,650
\$ 416,701 – \$418,400	\$120,910.25 + 35%	\$416,700
Over \$418,400	\$121,505.25 + 39.6%	\$418,400

### Head of household

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 13,350	10%	\$ 0
\$ 13,351 – \$ 50,800	\$ 1,335.00 + 15%	\$ 13,350
\$ 50,801 – \$131,200	\$ 6,952.50 + 25%	\$ 50,800
\$ 131,201 – \$212,500	\$ 27,052.50 + 28%	\$ 131,200
\$ 212,501 – \$416,700	\$ 49,816.50 + 33%	\$ 212,500
\$ 416,701 – \$444,550	\$ 117,202.50 + 35%	\$ 416,700
Over \$444,550	\$126,950.00 + 39.6%	\$444,550

### Married filing jointly or surviving spouse

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 18,650	10%	\$ 0
\$ 18,651 – \$ 75,900	\$ 1,865.00 + 15%	\$ 18,650
\$ 75,901 – \$153,100	\$ 10,452.50 + 25%	\$ 75,900
\$ 153,101 – \$233,350	\$ 29,752.50 + 28%	\$ 153,100
\$ 233,351 – \$416,700	\$ 52,222.50 + 33%	\$ 233,350
\$ 416,701 – \$470,700	\$ 112,728.00 + 35%	\$ 416,700
Over \$470,700	\$131,628.00 + 39.6%	\$ 470,700

### Married filing separately

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 9,325	10%	\$ 0
\$ 9,326 – \$ 37,950	\$ 932.50 + 15%	\$ 9,325
\$ 37,951 – \$ 76,550	\$ 5,226.25 + 25%	\$ 37,950
\$ 76,551 – \$ 116,675	\$ 14,876.25 + 28%	\$ 76,550
\$ 116,676 – \$ 208,350	\$ 26,111.25 + 33%	\$ 116,675
\$ 208,351 – \$ 235,350	\$ 56,364.00 + 35%	\$ 208,350
Over \$ 235,350	\$ 65,814.00 + 39.6%	\$ 235,350

<sup>1</sup> These rates generally apply to earned income, business income, interest and nonqualified dividends. Long-term capital gains rates apply to qualified dividends.

## STANDARD DEDUCTIONS

Filing status	Deduction
Single	\$ 6,350
Head of household	\$ 9,350
Married filing jointly or surviving spouse	\$12,700
Married filing separately	\$ 6,350

## CAPITAL GAINS TAX RATES

Type of gain	Maximum rate <sup>1</sup>
Short-term gain (assets held 12 months or less)	39.6%
Long-term gain (generally assets held more than 12 months)	15% or 20% <sup>2</sup>
Long-term gain on collectibles	28%
Long-term gain attributable to certain depreciation recapture	25%
Gain on qualified small business stock held more than 5 years	14% <sup>3</sup>
Long-term gain that would be taxed at 15% or less based on the taxpayer's ordinary-income rate	0%

<sup>1</sup> The 3.8% net investment income tax applies to net investment income to the extent that modified adjusted gross income (MAGI) exceeds \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

<sup>2</sup> The 20% rate applies only to those with taxable income exceeding \$418,400 (singles), \$444,550 (heads of households), \$470,700 (joint filers) or \$235,350 (separate filers).

<sup>3</sup> Effective rate based on 50% exclusion from a 28% rate. If stock was acquired after February 17, 2009, and before September 28, 2010, the rate is 7% (75% exclusion from a 28% rate). If stock was acquired on or after September 28, 2010, the rate is 0%.

## ALTERNATIVE MINIMUM TAX

### Single, head of household, married filing jointly or surviving spouse

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$187,800	26%	\$ 0
Over \$187,800	\$48,828 + 28%	\$187,800

### Married filing separately

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 93,900	26%	\$ 0
Over \$ 93,900	\$24,414 + 28%	\$ 93,900

### Exemptions

Filing status	Exemption amount
Single or head of household	\$ 54,300
Married filing jointly	\$ 84,500
Married filing separately	\$ 42,250

### Exemption phaseouts based on AMT income

Filing status	Income range of phaseout
Single or head of household	\$120,700 – \$337,900
Married filing jointly	\$160,900 – \$498,900
Married filing separately	\$ 80,450 – \$249,450

## STANDARD MILEAGE RATES

Use of vehicle	Deduction per mile
Business	53.5 cents
Medical or moving	17 cents
Charitable	14 cents

## FICA RATES AND EXPANDED MEDICARE TAXES

The rate for the employee portion of Social Security tax is 6.2%, and the maximum earned income it applies to is \$127,200, while the Medicare rate is 1.45% and applies to all earned income. Self-employed individuals pay both the employee and employer portions, but get a deduction for the employer portion. Cash wages totaling \$2,000 or more to household employees are also subject to FICA taxes. An additional 0.9% Medicare tax applies to FICA wages and self-employment income exceeding \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

## PERSONAL EXEMPTION AND ITEMIZED DEDUCTION LIMITS

Exemption amount: \$4,050

Personal exemptions and many itemized deductions are reduced if adjusted gross income (AGI) exceeds certain levels: \$261,500 (singles), \$287,650 (heads of households), \$313,800 (joint filers) and \$156,900 (separate filers).

## HEALTH SAVINGS ACCOUNTS

Limit	Individual	Family
Contribution	\$3,400	\$ 6,750
Catch-up contribution	\$1,000	\$ 1,000
Minimum high-deductible health plan (HDHP) deductible	\$1,300	\$ 2,600
Maximum HDHP out-of-pocket costs	\$6,550	\$13,100

## LONG-TERM CARE INSURANCE

Age	Premium deduction limit
40 and under	\$ 410
41 to 50	\$ 770
51 to 60	\$1,530
61 to 70	\$4,090
Over 70	\$ 5,110

## COVERDELL ESAs

Contribution limit per beneficiary: \$2,000

### Phaseouts based on contributor's MAGI

Filing status	MAGI range of phaseout
Single or head of household	\$ 95,000 – \$ 110,000
Married filing jointly	\$190,000 – \$220,000