

Tax Brackets for 2023

Taxable income (i.e., income minus deductions and exemptions) between:

Married, Joint¹

| | |
|-----------------------|-----|
| \$0 - \$22,000 | 10% |
| \$22,001 - \$89,450 | 12% |
| \$89,451 - \$190,750 | 22% |
| \$190,751 - \$364,200 | 24% |
| \$364,201 - \$462,500 | 32% |
| \$462,501 - \$693,750 | 35% |
| Over \$693,750 | 37% |

Capital gains/qualified dividends

| | |
|----------------------|-----|
| \$0 - \$89,250 | 0% |
| \$89,251 - \$553,850 | 15% |
| Over \$553,850 | 20% |

Single¹

| | |
|-----------------------|-----|
| \$0 - \$11,000 | 10% |
| \$11,001 - \$44,725 | 12% |
| \$44,726 - \$95,375 | 22% |
| \$95,376 - \$182,100 | 24% |
| \$182,101 - \$231,250 | 32% |
| \$231,251 - \$578,125 | 35% |
| Over \$578,125 | 37% |

Capital gains/qualifications dividends

| | |
|----------------------|-----|
| \$0 - \$44,625 | 0% |
| \$44,626 - \$492,300 | 15% |
| Over \$492,300 | 20% |

Married, Separate¹

| | |
|-----------------------|-----|
| \$0 - \$11,000 | 10% |
| \$11,001 - \$44,725 | 12% |
| \$44,726 - \$95,375 | 22% |
| \$95,376 - \$182,100 | 24% |
| \$182,101 - \$231,250 | 32% |
| \$231,251 - \$346,875 | 35% |
| Over \$346,875 | 37% |

Capital gains/qualifications dividends

| | |
|----------------------|-----|
| \$0 - \$44,625 | 0% |
| \$44,626 - \$276,900 | 15% |
| Over \$276,900 | 20% |

Head of Household¹

| | |
|-----------------------|-----|
| \$0 - \$15,700 | 10% |
| \$15,701 - \$59,850 | 12% |
| \$59,851 - \$95,350 | 22% |
| \$95,351 - \$182,100 | 24% |
| \$182,101 - \$231,250 | 32% |
| \$231,251 - \$578,100 | 35% |
| over \$578,100 | 37% |

Capital gains/qualification dividends

| | |
|----------------------|-----|
| \$0 - \$59,750 | 0% |
| \$59,751 - \$523,050 | 15% |
| Over \$523,050 | 20% |

Estates and Trusts¹

| | |
|---------------------|-----|
| \$0 - \$2,900 | 10% |
| \$2,901 - \$10,550 | 24% |
| \$10,551 - \$14,450 | 35% |
| over \$14,450 | 37% |

Capital gains/qualification dividends

| | |
|--------------------|-----|
| \$0 - \$3,000 | 0% |
| \$3,001 - \$14,650 | 15% |
| Over \$14,650 | 20% |

Corporate Tax Rate

| | |
|--|-----|
| | 21% |
|--|-----|

Standard Deduction¹

| | |
|-------------------|----------|
| Married, joint | \$27,700 |
| Single | \$13,850 |
| Married, separate | \$13,850 |
| Head of Household | \$20,800 |

Blind or over 65: add \$1,500 if married; \$1,850 if single or head of household

Child/Dependent Tax Credit^{1, 2}

| | |
|---|----------|
| Child \$2,000 per child up to \$1,600 refundable | \$83,350 |
| Qualifying Dependent per dependent, nonrefundable | \$500 |

Mortgage Interest Deduction²

On acquisition or home improvement indebtedness up to \$750,000 incurred after 12/15/2017 for first or second home.

State and Local Tax Deduction Limit³

State and local income and property tax deduction
\$10,000
\$5,000 if married filing separately

IRA & Pension Plan Limits⁴

IRA contribution

| | |
|-----------------|---------|
| Under age 50 | \$6,500 |
| Age 50 and over | \$7,500 |

Phaseout for deducting IRA contribution⁴

| | |
|--------------------------|---------------------------|
| Married, joint | \$116,000 - \$136,000 AGI |
| Single, HOH ^a | \$73,000 - \$83,000 AGI |
| Married, separate | \$0 - \$10,000 AGI |

Phaseout for deducting spousal IRA^{b, 4}

| | |
|--|---------------------------|
| | \$218,000 - \$228,000 AGI |
|--|---------------------------|

Phaseout of Roth contribution eligibility⁴

| | |
|--------------------------|----------------------------|
| Married, joint | \$218,000 - \$228,000 MAGI |
| Single, HOH ^a | \$138,000 - \$153,000 MAGI |
| Married, separate | \$0 - \$10,000 MAGI |

SEP contribution^{4, 5}

| | |
|----------------------------------|----------|
| Up to 25% of compensation, limit | \$66,000 |
|----------------------------------|----------|

Compensation to participate in SEP⁴

| | |
|--|-------|
| | \$750 |
|--|-------|

SIMPLE elective deferral⁴

| | |
|-----------------|----------|
| Under age 50 | \$15,500 |
| Age 50 and over | \$19,000 |

401(k), 403(b)c, 457d and SARSEP elective deferral under age 50⁴

| | |
|--|----------|
| | \$22,500 |
|--|----------|

401(k), 403(b)c, 457d and SARSEP elective deferral age 50 and over⁴

| | |
|--|----------|
| | \$30,000 |
|--|----------|

Annual defined contribution limit⁴

| | |
|--|----------|
| | \$66,000 |
|--|----------|

Annual defined benefit limit⁴

| | |
|--|-----------|
| | \$265,000 |
|--|-----------|

Highly compensated employee⁴

| | |
|--|-----------|
| | \$150,000 |
|--|-----------|

Key employee in top-heavy plan⁴

| | |
|--|-----------|
| | \$215,000 |
|--|-----------|

Annual compensation taken into account for qualified plans⁴

| | |
|--|-----------|
| | \$330,000 |
|--|-----------|

Retirement Tax Credit⁶

A percentage tax credit for an IRA, 401(k), 403(b)c or 457d plan contribution, in addition to deduction or exclusion, if

| | |
|-------------------|---------------------|
| Married, joint | Below \$73,000 MAGI |
| Head of Household | Below \$54,750 MAGI |

| | |
|---------------------------|---------------------|
| Single; Married, separate | Below \$36,500 MAGI |
|---------------------------|---------------------|

Maximum qualified longevity annuity contract (QLAC) premium⁴

| | |
|--|-----------|
| | \$155,000 |
|--|-----------|

Alternative Minimum Tax Exemption Amount¹

| | |
|--------------------------|-----------|
| Married, joint | \$126,500 |
| Single, HOH ^a | \$81,300 |
| Married, separate | \$63,250 |
| Estates and Trusts | \$28,400 |

Gift and Estate Tax¹

| | |
|---------------------------|----------|
| Gift tax annual exclusion | \$17,000 |
|---------------------------|----------|

| | |
|--------------------------|-----|
| Estate and gift tax rate | 40% |
|--------------------------|-----|

| | |
|----------------------|--------------|
| Estate tax exemption | \$12,920,000 |
|----------------------|--------------|

| | |
|-------------------------|--------------|
| Lifetime gift exemption | \$12,920,000 |
|-------------------------|--------------|

| | |
|---------------|--------------|
| GST exemption | \$12,920,000 |
|---------------|--------------|

| | |
|---|-----------|
| Annual exclusion for gifts to noncitizen spouse | \$175,000 |
|---|-----------|

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)⁷

| | |
|--|------|
| Additional tax on excess of earned income ^e | 0.9% |
|--|------|

| | |
|--|------|
| Additional tax on net investment income ^f | 3.8% |
|--|------|

Key

- a. Head of household.
- b. Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- c. Special increased limit may apply to certain 403(b) contributions with 15 or more years of service.
- d. In last three years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch-up.
- e. Total employee Medicare tax is 1.45% + 0.9% = 2.35%
- f. Including interest, dividends, capital gains and annuity distributions.

Health Care

Eligible Long-Term Care Deduction Limit¹

| | |
|-------------------|---------|
| Age 40 or younger | \$480 |
| Ages 41 to 50 | \$890 |
| Ages 51 to 60 | \$1,790 |
| Ages 61 to 70 | \$4,770 |
| Ages over 70 | \$5,960 |

Per Diem Limitation for LTC Benefits¹ \$420

Affordable Care Act: The Tax Cuts and Jobs Act eliminated the individual mandate penalty.²

Education

Coverdell Education Savings Account⁸ \$2,000

Coverdell contribution eligibility phaseout
 Married, joint \$190,000 - \$220,000
 All others \$95,000 - \$110,000

Student loan interest deduction limit¹ \$2,500
 Interest deduction is phased out
 Married, joint \$155,000 - \$185,000 MAGI
 All others \$75,000 - \$90,000 MAGI

Phaseout of Lifetime Learning Credits^{1,9}
 Married, joint \$160,000 - \$180,000
 All others \$80,000 - \$90,000

Tax-free savings bonds interest phaseout
 Married, joint \$137,800 - \$167,800 MAGI
 All others \$91,850 - \$106,850 MAGI

Social Security

Maximum wage base¹⁰ \$160,200
 Amount needed to earn one credit^{10,11} \$1,640
 Amount needed to earn four credits¹¹ \$6,560
 Social Security Tax Rates¹⁰
 Employee 7.65%
 Employer 7.65%
 Self-Employed 15.30%
 Maximum monthly retirement¹⁰
 Benefit at full retirement age \$3,627
 Cost of Living Adjustment 8.7%

Income (in retirement) causing Social Security benefits to be taxable¹²

Married, joint
 Up to 50% taxable \$32,000 MAGI
 Up to 85% taxable \$44,000 MAGI
 Single
 Up to 50% taxable \$25,000 MAGI
 Up to 85% taxable \$34,000 MAGI

Income is most income including municipal bond interest but only 1/2 of Social Security.

Earnings Limit and Benefit Reduction:¹⁰

In years prior to full retirement age, \$1 in benefits will be withheld for every \$2 of earnings in excess of \$21,240.

In the year of full retirement age, \$1 in benefits will be withheld for every \$3 of earnings in excess of \$56,520 (applies only to months of earnings prior to full retirement age).

There is no limit on earnings beginning the month an individual attains full retirement age.

Average monthly benefit (December 2021)¹³

Average monthly retirement benefit
 Men \$1,838
 Women \$1,484

Average monthly survivor benefit
 Men \$1,379
 Women \$1,563

Uniform Lifetime Table¹⁴

*Below table effective as of Jan. 1, 2022. Use to calculate required minimum distributions from IRAs and qualified plans during owner's life. Do not use this table if owner has spousal beneficiary more than 10 years younger. Instead use Joint Life Table from IRS Pub. 590.

| Taxpayer's Age | % of acct. | Life Expectancy |
|----------------|------------|-----------------|
| 72 | 3.65 | 27.4 |
| 73 | 3.77 | 26.5 |
| 74 | 3.92 | 25.5 |
| 75 | 4.07 | 24.6 |
| 76 | 4.22 | 23.7 |
| 77 | 4.37 | 22.9 |
| 78 | 4.55 | 22.0 |
| 79 | 4.74 | 21.1 |
| 80 | 4.95 | 20.2 |
| 81 | 5.15 | 19.4 |
| 82 | 5.41 | 18.5 |
| 83 | 5.65 | 17.7 |
| 84 | 5.95 | 16.8 |
| 85 | 6.25 | 16.0 |
| 86 | 6.58 | 15.2 |
| 87 | 6.94 | 14.4 |
| 88 | 7.30 | 13.7 |
| 89 | 7.75 | 12.9 |
| 90 | 8.20 | 12.2 |
| 91 | 8.70 | 11.5 |
| 92 | 9.26 | 10.8 |
| 93 | 9.90 | 10.1 |
| 94 | 10.53 | 9.5 |
| 95 | 11.24 | 8.9 |
| 96 | 11.90 | 8.4 |
| 97 | 12.82 | 7.8 |
| 98 | 13.70 | 7.3 |
| 99 | 14.71 | 6.8 |
| 100 | 15.63 | 6.4 |
| 101 | 16.67 | 6.0 |
| 102 | 17.86 | 5.6 |
| 103 | 19.23 | 5.2 |
| 104 | 20.41 | 4.9 |
| 105 | 21.74 | 4.6 |
| 106 | 23.26 | 4.3 |
| 107 | 24.39 | 4.1 |
| 108 | 25.64 | 3.9 |
| 109 | 27.03 | 3.7 |
| 110 | 28.57 | 3.5 |
| 111 | 29.41 | 3.4 |
| 112 | 30.30 | 3.3 |
| 113 | 32.26 | 3.1 |
| 114 | 33.33 | 3.0 |
| 115+ | 34.48 | 2.9 |

Single Life Table After IRA Owner's Death¹⁴

*Below table effective as of Jan. 1, 2022. Use to calculate required minimum distributions from IRAs and qualified plans after owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

| Taxpayer's Age | % of acct. | Life Expectancy |
|----------------|------------|-----------------|
| 39 | 2.14 | 46.7 |
| 40 | 2.19 | 45.7 |
| 41 | 2.23 | 44.8 |
| 42 | 2.28 | 43.8 |
| 43 | 2.33 | 42.9 |
| 44 | 2.39 | 41.9 |
| 45 | 2.44 | 41.0 |
| 46 | 2.50 | 40.0 |
| 47 | 2.56 | 39.0 |
| 48 | 2.62 | 38.1 |
| 49 | 2.70 | 37.1 |
| 50 | 2.76 | 36.2 |
| 51 | 2.83 | 35.3 |
| 52 | 2.92 | 34.3 |
| 53 | 2.99 | 33.4 |
| 54 | 3.08 | 32.5 |
| 55 | 3.16 | 31.6 |
| 56 | 3.27 | 30.6 |
| 57 | 3.36 | 29.8 |
| 58 | 3.46 | 28.9 |
| 59 | 3.57 | 28.0 |
| 60 | 3.69 | 27.1 |
| 61 | 3.82 | 26.2 |
| 62 | 3.94 | 25.4 |
| 63 | 4.08 | 24.5 |
| 64 | 4.22 | 23.7 |
| 65 | 4.37 | 22.9 |
| 66 | 4.55 | 22.0 |
| 67 | 4.72 | 21.2 |
| 68 | 4.90 | 20.4 |
| 69 | 5.10 | 19.6 |
| 70 | 5.32 | 18.8 |
| 71 | 5.56 | 18.0 |
| 72 | 5.81 | 17.2 |
| 73 | 6.10 | 16.4 |
| 74 | 6.41 | 15.6 |
| 75 | 6.76 | 14.8 |
| 76 | 7.09 | 14.1 |
| 77 | 7.52 | 13.3 |
| 78 | 7.94 | 12.6 |
| 79 | 8.40 | 11.9 |
| 80 | 8.93 | 11.2 |
| 81 | 9.52 | 10.5 |
| 82 | 10.10 | 9.9 |
| 83 | 10.75 | 9.3 |
| 84 | 11.49 | 8.7 |
| 85 | 12.35 | 8.1 |
| 86 | 13.16 | 7.6 |

Sources

¹ Rev. Proc. 2022-38. <https://www.irs.gov/pub/irs-drop/rp-22-38.pdf>

² Tax Policy Center. <https://www.taxpolicycenter.org/briefing-book>

³ IRS. Dec 8, 2021. <https://www.irs.gov/taxtopics/tc503>

⁴ IR-2022-55. <https://www.irs.gov/pub/irs-drop/n-22-55.pdf>

⁵ IRC Sec. 402 (h)(2)

⁶ IRS. Dec. 6, 2021. <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>

⁷ IRS. April 21, 2021. <https://www.irs.gov/individuals/net-investment-income-tax>

⁸ Savingforcollege.com. https://www.savingforcollege.com/intro_to_esas/?esa_faq_category_id=2

⁹ IRC Sec. 25A (c),(i)

¹⁰ Social Security Administration. <https://www.ssa.gov/news/press/factsheets/colafacts2023.pdf>

¹¹ Social Security Administration. <https://www.ssa.gov/benefits/retirement/planner/credits.html>

¹² IRC Sec. 86

¹³ Social Security Administration. https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2022/fast_facts22.pdf

¹⁴ Federal Register. Nov. 12, 2020. <https://www.federalregister.gov/documents/2020/11/12/2020-24723/updated-life-expectancy-and-distribution-period-tables-used-for-purposes-of-determining-minimum>

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