



## Northeastern Wealth Mgmt/ MKTInvestments

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# Key Numbers 2016

Tax reference numbers at a glance.



### Income Tax (2016 tax rate tables)

Single			Married filing jointly		
Taxable income	Tax due	Marginal tax rate*	Taxable income	Tax due	Marginal tax rate*
\$0	\$0	10%	\$0	\$0	10%
\$9,275	\$927.50	15%	\$18,550	\$1,855.00	15%
\$37,650	\$5,183.75	25%	\$75,300	\$10,367.50	25%
\$91,150	\$18,558.75	28%	\$151,900	\$29,517.50	28%
\$190,150	\$46,278.75	33%	\$231,450	\$51,791.50	33%
\$413,350	\$119,934.75	35%	\$413,350	\$111,818.50	35%
\$415,050	\$120,529.75	39.6%	\$466,950	\$130,578.50	39.6%

  

Head of household			Married filing separately		
Taxable income	Tax due	Marginal tax rate*	Taxable income	Tax due	Marginal tax rate*
\$0	\$0	10%	\$0	\$0	10%
\$13,250	\$1,325.00	15%	\$9,275	\$927.50	15%
\$50,400	\$6,897.50	25%	\$37,650	\$5,183.75	25%
\$130,150	\$26,835.00	28%	\$75,950	\$14,758.75	28%
\$210,800	\$49,417.00	33%	\$115,725	\$25,895.75	33%
\$413,350	\$116,258.50	35%	\$206,675	\$55,909.25	35%
\$441,000	\$125,936.00	39.6%	\$233,475	\$65,289.25	39.6%

\* Rate applies to each additional dollar in taxable income received until the next taxable income threshold amount is reached.



### Investment Taxes

Single filer	Married filing jointly	Married filing separately	Head of household	Tax rate
<b>Long-term capital gain &amp; qualified dividend tax (taxable income thresholds)</b>				
Up to \$37,650	Up to \$75,300	Up to \$37,650	Up to \$50,400	0%
\$37,651 up to \$415,050	\$75,301 up to \$466,950	\$37,651 up to \$233,475	\$50,401 up to \$441,000	15%
More than \$415,050	More than \$466,950	More than \$233,475	More than \$441,000	20%
<b>Net investment income tax (MAGI thresholds)</b>				
Over \$200,000	Over \$250,000	Over \$125,000	Over \$200,000	3.8%*

\*The 3.8% net investment income tax (also referred to as the unearned income Medicare contribution tax) applies to the lesser of (a) net investment income or (b) modified adjusted gross income (MAGI) exceeding the above thresholds. It does not apply to municipal bond interest or qualified retirement plan/IRA withdrawals.



### Education Credits and Deductions

MAGI phaseout ranges	Single or head of household	Married filing jointly
Lifetime Learning credit (\$2,000 max)	\$55,000 to \$65,000	\$111,000 to \$131,000
American Opportunity credit (\$2,500 max)	\$80,000 to \$90,000	\$160,000 to \$180,000
Education loan interest deduction (\$2,500 max)	\$65,000 to \$80,000	\$130,000 to \$160,000
U.S. Savings bond interest exclusion for higher-education expenses	\$77,550 to \$92,550	\$116,300 to \$146,300



### Standard Deduction and Personal Exemption

Filing status	Standard deduction	Personal & dependency exemption	Phaseout threshold*
Single	\$6,300	\$4,050	\$259,400
Married filing jointly	\$12,600	\$4,050	\$311,300
Married filing separately	\$6,300	\$4,050	\$155,650
Head of household	\$9,300	\$4,050	\$285,350
Dependent**	\$1,050**		

#### Additional deduction for blind or aged (over age 65)

Single or head of household	\$1,550
Married filing jointly or separately	\$1,250

\* Phaseout applies to personal exemption & itemized deductions.

\*\* Dependent standard deduction is the greater of \$1,050 or \$350 plus earned income.



## Retirement Planning

Employee contribution limits to employer plans*	
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs (includes Roth contributions to these plans)	\$18,000
Annual catch-up contribution (age 50+)	\$6,000
SIMPLE 401(k) and SIMPLE IRA plans	\$12,500
Annual catch-up contribution (age 50+)	\$3,000
IRA contribution limits**	
Traditional and Roth IRAs (combined)	\$5,500
Annual catch-up contribution (age 50+)	\$1,000

\* Lesser of these limits or 100% of participant's compensation.

\*\* Lesser of these limits or 100% of earned income.

MAGI phaseout limits for deductible contributions to a traditional IRA (affects taxpayers covered by an employer-sponsored retirement plan)	
Single or head of household	\$61,000 to \$71,000
Married filing jointly when the spouse who makes the contribution is covered by a workplace plan	\$98,000 to \$118,000
Married filing jointly when the spouse who makes the contribution is not covered by a workplace plan but the other spouse is covered	\$184,000 to \$194,000
Married filing separately	Up to \$10,000

MAGI phaseout limits to contribute to a Roth IRA	
Single or head of household	\$117,000 to \$132,000
Married filing jointly	\$184,000 to \$194,000
Married filing separately	Up to \$10,000



## Estate Planning

Estate and gift tax	
Annual gift tax exclusion	\$14,000
Noncitizen spouse annual gift tax exclusion	\$148,000
Top gift, estate, and generation-skipping transfer (GST) tax rate	40%
Gift tax and estate tax applicable exclusion amount	\$5,450,000 + DSUEA*
Generation-skipping transfer (GST) tax exemption	\$5,450,000**

\* Basic exclusion amount plus deceased spousal unused exclusion amount (exclusion is portable).

\*\*The GST tax exemption is not portable.



## Social Security/Medicare

Tax rate on earnings	
FICA tax – Employee	
Social Security (OASDI) portion	6.2%
Medicare (HI) portion	1.45%*
FICA tax – Employer (OASDI & HI)	
7.65%	
FICA tax – Self-employed	
Social Security (OASDI) portion	12.4%
Medicare (HI) portion	2.9%*
Additional employee Medicare payroll tax/ self-employment tax on earnings in excess of specific limits*	0.9%*
Maximum taxable earnings	
Social Security (OASDI only)	\$118,500
Medicare (HI only)	No limit

\* Additional Medicare tax is assessed on earnings in excess of \$200,000 (single filer), \$250,000 (married filing jointly), or \$125,000 (married filing separately).



## Alternative Minimum Tax (AMT)

	Maximum exemption amount	Exemption phaseout threshold
Single or head of household	\$53,900	\$119,700
Married filing jointly	\$83,800	\$159,700
Married filing separately	\$41,900	\$79,850
26% rate applies to AMT income up to \$186,300*		
28% rate applies to AMT income over \$186,300*		

\* \$93,150 if married filing separately.



## Standard Mileage

Standard mileage rates	Cents per mile
Business purposes	54¢
Medical purposes	19¢
Moving purposes	19¢
Charitable purposes	14¢

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