



Tax Facts and Figures

Business Expenses

| | |
|--|-------|
| 2023 Standard Mileage Rate Per Mile | |
| Business..... | 65.5¢ |
| Medical and moving*..... | 22.0¢ |
| Charitable..... | 14.0¢ |
| Depreciation..... | 28.0¢ |

Section 179 Expense Limits

| | |
|---------------------------------|-------------|
| Regular 179 limits..... | \$1,160,000 |
| SUV limits..... | \$28,900 |
| Investment phaseout begins..... | \$2,890,000 |

2023 Standard Deduction for Meals—High Low Method (Per Day)

| | |
|-----------------------------|------|
| High cost localities..... | \$74 |
| All other localities..... | \$64 |
| Transportation workers..... | \$69 |

Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)

| | |
|-----------------------------------|-------|
| Commuter benefits (per month)... | \$300 |
| Parking benefits (per month)..... | \$300 |

*The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

2023 Retirement Plan Limits

401(k)/403(b) Deferral Limits

| | |
|----------------------|----------|
| Under age 50..... | \$22,500 |
| Age 50 and over..... | \$30,000 |

IRA Contribution Limits

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

IRA Deduction Phaseout Range if Covered by Employer Plan

| | |
|-------------------------|---------------------|
| MFJ..... | \$116,000–\$136,000 |
| Spouse not covered..... | \$218,000–\$228,000 |
| Single, HOH..... | \$73,000–\$83,000 |
| MFS..... | \$0–\$10,000 |

Roth IRA Phaseout Range

| | |
|------------------|---------------------|
| MFJ..... | \$218,000–\$228,000 |
| Single, HOH..... | \$138,000–\$153,000 |
| MFS..... | \$0–\$10,000 |

SIMPLE Deferral Limits

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

Qualified Retirement Plans

| | |
|---------------------------------|--------------|
| Profit sharing/SEP limits..... | 25%/\$66,000 |
| Defined benefit plan limits ... | \$265,000 |
| Compensation limits..... | \$330,000 |

Education Tax Benefits

American Opportunity Credit

| | |
|---------------------------------------|---------------------|
| MFJ phaseout | \$160,000–\$180,000 |
| Single, HOH phaseout..... | \$80,000–\$90,000 |
| Maximum credit: \$2,500 per student | |
| Up to 40% (\$1,000) may be refundable | |

Lifetime Learning Credit

| | |
|------------------------------------|---------------------|
| MFJ phaseout | \$160,000–\$180,000 |
| Single, HOH phaseout..... | \$80,000–\$90,000 |
| Maximum credit: \$2,000 per return | |

Education Savings Account (ESA)

| | |
|--|---------------------|
| MFJ phaseout..... | \$190,000–\$220,000 |
| All others..... | \$95,000–\$110,000 |
| Annual contribution limit: \$2,000 per beneficiary | |

Student Loan Interest Deduction

| | |
|---------------------------------------|---------------------|
| MFJ phaseout..... | \$155,000–\$185,000 |
| Single, HOH phaseout..... | \$75,000–\$90,000 |
| Maximum deduction: \$2,500 per return | |

U.S. Savings Bonds Interest Exclusion

| | |
|---------------------------|---------------------|
| MFJ phaseout..... | \$137,800–\$167,800 |
| Single, HOH phaseout..... | \$91,850–\$106,850 |

Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students or apprentices are not taxable.
- Distributions up to \$10,000 per student are allowed for tuition expenses for a public, private, or religious elementary or secondary school.
- Cumulative distributions up to \$10,000 per beneficiary and sibling for qualified education debt.

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2023 Tax Rates: Capital Gain and Dividend Income

| If income is... | Maximum tax rate % | If asset is held... |
|--|-----------------------|---------------------|
| Gain from the sale of collectibles | 28% | More than 1 year |
| Taxable portion of gain on qualified small business stock (section 1202 exclusion) | 28% | More than 5 years |
| Unrecaptured section 1250 gain | 25% | More than 1 year |
| Long-term capital gain | See below | More than 1 year |
| Qualified dividend income | See below | More than 60 days |
| Taxable Income | | |
| Single..... | \$0 to \$44,625 | 0% |
| MFJ/QSS..... | \$0 to \$89,250 | |
| MFS..... | \$0 to \$44,625 | |
| HOH..... | \$0 to \$59,750 | |
| Estates and Trusts..... | \$0 to \$3,000 | |
| Taxable Income | | |
| Single..... | \$44,626 to \$492,300 | 15% |
| MFJ/QSS..... | \$89,251 to \$553,850 | |
| MFS..... | \$44,626 to \$276,900 | |
| HOH..... | \$59,751 to \$523,050 | |
| Estates and Trusts..... | \$3,001 to \$14,650 | |
| Taxable Income | | |
| Single..... | \$492,301 and over | 20% |
| MFJ/QSS..... | \$553,851 and over | |
| MFS..... | \$276,901 and over | |
| HOH..... | \$523,051 and over | |
| Estates and Trusts..... | \$14,651 and over | |
| Short-term capital gain | 37% | 1 year or less |
| Ordinary dividend income | 37% | 60 days or less |

Net Investment Income Tax (NIIT)

3.8% additional tax on investment income if MAGI above threshold amount

| Filing status | Single, HOH | MFJ, QW | MFS |
|------------------|-------------|-----------|-----------|
| Threshold amount | \$200,000 | \$250,000 | \$125,000 |

2023 Qualified Business Income Deduction Thresholds

| | | |
|----------------|----------------|-----------------------------|
| MFJ: \$364,200 | MFS: \$182,100 | Single, HOH, QSS: \$182,100 |
|----------------|----------------|-----------------------------|

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 73.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.