



2023

Federal Tax Key Facts and Figures

INCOME TAXES

Table with 4 columns: 2022, If Taxable Income Is: Over, But Not More Than, The Tax Is, Of the Amount Over. Rows include Married Filing Jointly, Married Filing Separately, Head of Household, Single, and Estates and Trusts.

Table with 4 columns: 2023, If Taxable Income Is: Over, But Not More Than, The Tax Is, Of the Amount Over. Rows include Married Filing Jointly, Married Filing Separately, Head of Household, Single, and Estates and Trusts.

OTHER TAX RATES

Table with 4 columns: 2022, 0%, 15%, 20%. Rows include Long-Term Capital Gains and Qualified Dividends Tax Rates for MFJ/SS, MFS, HoH, Single, and E&T for both 2022 and 2023.

* Short-term gain taxed at ordinary rates. * Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers).

Kiddie Tax

- Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$11,500 in 2022 or \$12,500 in 2023 - use Form 8814 with parent's return. If child files own return - use Form 8615 with child's return to calculate tax at parent's marginal rate.

Table with 4 columns: 2022, 2023, No Tax, Taxed at child's marginal rate, Taxed at parent's marginal rate. Rows include First, Next, and Amount Over.

AMT Rates for Individuals

Table with 4 columns: AMTI Threshold, 2022, 2023, AMT Rate. Rows include Single, MFJ, HoH and MFS. Includes AMT Exemption table below.

SOCIAL SECURITY

Maximum Compensation Subject to FICA

Table with 3 columns: 2022, 2023. Rows include OASDI Maximum, HI Maximum, No Limit, No Limit.

* OASDI tax rate - 2022 & 2023: 12.4% self-employed, 6.2% employees * HI tax rate* - 2022 & 2023: 2.9% self-employed, 1.45% employees

* Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers)

Maximum Amount of Earnings to Still Receive Full Benefits

Table with 3 columns: 2022, 2023. Row includes Under full retirement age \$19,560 \$21,240

MAGI Amounts for Benefits to Be Taxable

Table with 3 columns: 50% Taxable, 85% Taxable. Rows include Married Filing Jointly \$32,000 \$44,000 Single, HOH, MFS Living Apart \$25,000 \$34,000

EDUCATION INCENTIVES

Tuition Deduction - "Above-the-line" deduction for qualified tuition and related expenses repealed for tax years after 2020.

Student Loan Interest Deduction - "Above-the-line" deduction up to \$2,500 (2022 and 2023); no time limit on deductibility period; subject to income limitations.

Education Credits - American Opportunity Credit is up to \$2,500 in 2022 and 2023 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid up to \$2,000 per return for 2022 and 2023. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.

Section 529 Plans (Qualified Tuition Programs) - Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$16,000 for 2022; \$17,000 for 2023). Donor can elect to treat up to \$80,000 of the contribution in 2022 (\$85,000 in 2023) as if it had been made ratably over a 5-year period.

Coverdell Education Savings Accounts (Education IRAs) - Contribution limit is \$2,000 in 2022 and 2023; subject to income limitations.

DEDUCTIONS

Standard Deduction

	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2022	\$25,900	\$1,400
	2023	\$27,700	\$1,500
Married Filing Separately	2022	\$12,950	\$1,400
	2023	\$13,850	\$1,500
Head of Household	2022	\$19,400	\$1,750
	2023	\$20,800	\$1,850
Single	2022	\$12,950	\$1,750
	2023	\$13,850	\$1,850

Phaseout of Itemized Deductions Does Not Apply in 2022 or 2023

Code Sec. 179 Expense Allowance

	2022	2023
Dollar limitation	\$1,080,000	\$1,160,000
Investment limitation	\$2,700,000	\$2,890,000

Qualified Business Income Deduction Phase-In Thresholds

	Taxable Income Phase-In	
	2022	2023
MFJ	\$340,100 - \$440,100	\$364,200 - \$464,200
MFS	\$170,050 - \$220,050	\$182,100 - \$232,100
All Others	\$170,050 - \$220,050	\$182,100 - \$232,100

ESTATE & GIFT TAXES

	2022	2023
Annual Gift Tax Exclusion	\$16,000	\$17,000
for Noncitizen Spouses	\$164,000	\$175,000
Estate Tax Exclusion	\$12,060,000	\$12,920,000
Applicable Credit	\$4,769,800	\$5,113,800
Gift Tax Exclusion	\$12,060,000	\$12,920,000
Generation-Skipping Transfer Tax Exemption	\$12,060,000	\$12,920,000

CREDITS & EXCLUSIONS

Child Tax Credit

	2022	2023
Credit Amount	\$2,000	\$2,000
Refundable Amount	\$1,500	\$1,600

\$2,000 credit amount for 2022 and 2023 phases out \$50 for every \$1,000 AGI over \$400,000 (MFJ), \$200,000 (all others)

Foreign Income

	2022	2023
Foreign earned income exclusion	\$112,000	\$120,000
Maximum foreign housing exclusion of qualified housing expenses	\$15,680 (\$33,600 - \$17,920)	\$16,800 (\$36,000 - \$19,200)

INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:

- 90% of current tax,
- 100% of prior year's tax, or
- 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
 - Annualization exception
 - No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year

IRAs

Contribution Limits - Traditional and Roth

	2022	2023
Regular	\$6,000	\$6,500
Catch-up*	\$1,000	\$1,000

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

Roth IRAs

MAGI Phaseout Ranges for Contributions to Roth IRAs	2022	2023
Married Filing Jointly	\$204,000 - \$214,000	\$218,000 - \$228,000
Single, Head of Household	\$129,000 - \$144,000	\$138,000 - \$153,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000

Traditional IRA Deductibility Rules

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2022	2023	
Single, HoH	No	Any amount	Any amount	Full deduction
	Yes	\$68,000 or less \$68,001 - \$77,999 \$78,000 or more	\$73,000 or less \$73,001 - \$82,999 \$83,000 or more	Full deduction Partial deduction No deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$109,000 or less \$109,001 - \$128,999 \$129,000 or more	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for covered spouse	\$109,000 or less \$109,001 - \$128,999 \$129,000 or more	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	Full deduction Partial deduction No deduction
Married Filing Separately, lived together for any part of the year (if spouses lived separately throughout year, treated as Single)	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction

QUALIFIED PLANS

	2022	2023
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b))	\$20,500	\$22,500
Maximum elective deferral to SIMPLE IRAs	\$14,000	\$15,500
Maximum elective deferral to 457 plans or exempt employers	\$20,500	\$22,500
Limit on annual additions to Keogh plans and SEP-IRAs	\$61,000	\$66,000
Limit on annual additions to defined contribution plans	\$61,000	\$66,000
Maximum annual compensation taken into account for contributions	\$305,000	\$330,000
Annual benefit limit under defined benefit plans	\$245,000	\$265,000
Threshold amount for definition of highly compensated employee	\$135,000	\$150,000
Threshold amount for definition of key employee in top-heavy plans	\$200,000	\$215,000
Catch-up Contribution Limits*		
401(k), 403(b), SARSEP and 457 plans	\$6,500	\$7,500
SIMPLE plans	\$3,000	\$3,500

* Individuals who will be at least age 50 by the end of the year can make catch-up contributions.