

2018 TAX RATE QUICK GUIDE

CORPORATE INCOME TAX RATE

Tax years beginning January 1, 2018 - Flat rate of 21%

Blended corporate rate (by day) for fiscal years beginning in 2017 and ending in 2018

STANDARD MILEAGE RATES

Business use of auto	54.5¢ per mile
Charitable contribution	14¢ per mile
Medical	18¢ per mile
Moving - Military	18¢ per mile

STANDARD DEDUCTIONS

Single and married filing separately	\$12,000
Married filing jointly or surviving spouse	\$24,000
Head of household	\$18,000

PERSONAL EXEMPTION

Repealed through December 31, 2025

PHASEOUTS OF PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS

Repealed through December 31, 2025

SOCIAL SECURITY EARNINGS LIMITS FOR RETIRED WORKERS

Retirement age	Earnings limit
Prior to retirement age	\$17,040
Year of retirement	\$45,360
At or over retirement age	None

SELF-EMPLOYMENT TAX

Tax rate for self-employment income is 15.3% on first \$128,400 and 2.9% thereafter.

KIDDIE TAX

Investment income is taxed according to the brackets applicable to trusts and estates. Earned income is taxed at the rates for single individuals. Applies to unmarried children younger than 18, to children age 18 whose earned income is not more than half their support, and to children older than 18 but younger than 24 who are full-time students and whose earned income is not more than half their support.

ESTATE AND TRUST INCOME TAX RATE

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$2,550	10%	-	-
\$2,550	\$9,150	\$255.00	24%	\$2,550
\$9,150	\$12,500	\$1,839.00	35%	\$9,150
\$12,500	-	\$3,011.50	37%	\$12,500

Applicable exclusion amount for estate, gift, and generation-skipping transfer (GST) tax

\$11,180,000*

*Subject to IRS approval

Maximum estate, gift, and GST tax rate

40%

Gift tax annual exclusion

\$15,000

Portability/basis adjustment retained

SINGLE FILING

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$9,525	10%	-	-
\$9,525	\$38,700	\$952.50	12%	\$9,525
\$38,700	\$82,500	\$4,453.50	22%	\$38,700
\$82,500	\$157,500	\$14,089.50	24%	\$82,500
\$157,500	\$200,000	\$32,089.50	32%	\$157,500
\$200,000	\$500,000	\$45,689.50	35%	\$200,000
\$500,000	-	\$150,689.50	37%	\$500,000

MARRIED FILING JOINTLY OR SURVIVING SPOUSE

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$19,050	10%	-	-
\$19,050	\$77,400	\$1,905	12%	\$19,050
\$77,400	\$165,000	\$8,907	22%	\$77,400
\$165,000	\$315,000	\$28,179	24%	\$165,000
\$315,000	\$400,000	\$64,179	32%	\$315,000
\$400,000	\$600,000	\$91,379	35%	\$400,000
\$600,000	-	\$161,379	37%	\$600,000

MARRIED FILING SEPARATELY

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$9,525	10%	-	-
\$9,525	\$38,700	\$952.50	12%	\$9,525
\$38,700	\$82,500	\$4,453.50	22%	\$38,700
\$82,500	\$157,500	\$14,089.50	24%	\$82,500
\$157,500	\$200,000	\$32,089.50	32%	\$157,500
\$200,000	\$300,000	\$45,689.50	35%	\$200,000
\$300,000	-	\$80,689.50	37%	\$300,000

HEAD OF HOUSEHOLD

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$13,600	10%	-	-
\$13,600	\$51,800	\$1,360	12%	\$13,600
\$51,800	\$82,500	\$5,944	22%	\$51,800
\$82,500	\$157,500	\$12,698	24%	\$82,500
\$157,500	\$200,000	\$30,698	32%	\$157,500
\$200,000	\$500,000	\$44,298	35%	\$200,000
\$500,000	-	\$149,298	37%	\$500,000

TOP INDIVIDUAL STATE RATES

California: 13.3%	Montana: 6.9%
Colorado: 4.63%	Pennsylvania: 3.07%
Idaho: 7.4%	Utah: 5%
Illinois: 4.95%	Virginia: 5.75%
Minnesota: 9.85%	Wisconsin: 7.65%

MAXIMUM RATE APPLICABLE TO (NONCORPORATE) NET CAPITAL GAIN AND QUALIFIED DIVIDENDS

Capital asset	Holding period	Tax rate	Filing status	Below taxable income threshold
Short-term capital gains	One year or less	Ordinary income tax rates	-	-
Long-term capital gains	More than one year	0%	MFJ or surviving spouse	\$77,200
			Head of household	\$51,700
			Single or MFS	\$38,600
			Estate and trust	\$2,600
Long-term capital gains	More than one year	15%	MFJ or surviving spouse	\$479,000
			Head of household	\$452,400
			Single	\$425,800
			MFS	\$239,500
	Estate and trust	\$12,700		
Long-term capital gains	More than one year	20%	Greater than 15% thresholds	-
1250	More than one year	25%	If taxpayer is in the lower tax rate, that rate will apply.	-
Collectible	More than one year	28%	-	-
1202 small business stock	More than five years	28%	-	-

3.8% Medicare tax on net investment income

Tax imposed on lesser of "net investment income" or MAGI > \$250,000 (MFJ), \$125,000 (MFS), or \$200,000 (Single)

Medicare tax on high-income earners Additional 0.9% tax on wages greater than:

Single or head of household	\$200,000
Married filing jointly or surviving spouse	\$250,000
Married filing separately	\$125,000

RETIREMENT PLAN LIMITS

Deferral limits for plans	
\$401(k), 403(b), and 457 plans	\$18,500
SIMPLE	\$12,500
Catch-up contributions for participants age 50 or older	
Other than SIMPLE plans	\$6,000
SIMPLE plans	\$3,000
Other limitations and thresholds	
Qualified plans – annual compensation limit	\$275,000
Defined benefit – maximum annual benefit	\$220,000
Defined contribution – maximum annual addition	\$55,000
"Key employee" in top-heavy plan	\$175,000
"Highly compensated employee" threshold	\$120,000
SEP compensation threshold for participation	\$600
Definition of "control employee" for fringe benefit valuation	
Reg. § 1.61-21(f)(5)(i)	\$110,000
Reg. § 1.61-21(f)(5)(iii)	\$220,000

INDIVIDUAL RETIREMENT ACCOUNTS

Traditional IRAs and Roth IRAs	
Contribution limit	\$5,500
Catch-up contribution (age 50 or older)	\$1,000
Phaseout rules based on MAGI ranges	
Traditional IRA deductions phaseout	
Single, head of household – Active participant	\$63,000 - \$73,000
Married filing separately – Any spouse participates	\$0 - \$10,000
Married filing jointly – Nonparticipating spouse	\$189,000 - \$199,000
Married filing jointly – Participating spouse	\$101,000 - \$121,000
Roth IRA contribution eligibility	
Married filing jointly	\$189,000 - \$199,000
Single, head of household	\$120,000 - \$135,000
Married filing separately – Any spouse participates	\$0 - \$10,000

HEALTH SAVINGS ACCOUNTS

Plan minimum deductible (self/family)	\$1,350/\$2,700
Contribution maximum (self/family)	\$3,450/\$6,850
Catch-up contribution (age 55 or older)	\$1,000
Plan out-of-pocket limit (self/family)	\$6,650/\$13,300

In the year a participant enrolls in Medicare or changes to a plan that is not HSA eligible, contribution is prorated based on the number of months the participant has qualifying coverage prior to the month of Medicare enrollment.

With associates and offices across the United States, Wipfli ranks among the top accounting and consulting firms in the nation. The firm's associates have the expertise, skills, and experience to advise in areas from assurance and accounting to tax and consulting services. In addition, through the firm's membership in Allinial Global, Wipfli can draw upon the resources of firms from around the world. For more information, please visit wipfli.com.