

2023 tax rate quick guide

WIPFLI

Corporate income tax rate

Flat rate of 21%

Standard mileage rates

Business use of auto	\$0.655 per mile
Charitable contribution	\$0.14 per mile
Medical	\$0.22 per mile
Moving (military)	\$0.22 per mile

Standard deductions

Single and married filing separately	\$13,850
Married filing jointly or surviving spouse	\$27,700
Head of household	\$20,800
If married and age 65 or greater or blind, then add	\$1,500
If unmarried and age 63 or greater or blind, then add	\$1,850

Personal exemption

Repealed through December 31, 2025

Social Security earnings limits for retired workers

Retirement age	Earnings limit
Prior to retirement age	\$21,240
Year of retirement	\$56,520
At or over retirement age	None

Self-employment tax

Tax rate for self-employment income is 12.4% on first \$147,000 and 2.9% thereafter.

Gift, estate and trust tax rates

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$2,900	10%	-	-
\$2,900	\$10,550	\$290	24%	\$2,900
\$10,550	\$14,450	\$2,126	35%	\$10,550
\$14,450	-	\$3,491	37%	\$14,450

Applicable exclusion amount for estate, gift and generation-skipping transfer (GST) tax \$12,920,000

Maximum estate, gift and GST tax rate 40%

Gift tax annual exclusion \$17,000

Portability (deceased spousal unused exclusion [DSUE]) and step-up/step-down basis to date of death value apply.

Single filing

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$11,000	10%	-	-
\$11,000	\$41,775	\$1,100	12%	\$11,000
\$44,725	\$95,375	\$5,147	22%	\$44,725
\$95,375	\$182,100	\$16,290	24%	\$95,375
\$182,100	\$231,250	\$37,104	32%	\$182,100
\$231,250	\$578,125	\$52,832	35%	\$231,250
\$578,125	-	\$174,238.25	37%	\$578,125

Married filing jointly or surviving spouse

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$22,000	10%	-	-
\$22,000	\$89,450	\$2,200	12%	\$22,000
\$89,450	\$190,750	\$10,294	22%	\$89,450
\$190,750	\$364,200	\$32,580	24%	\$190,750
\$364,200	\$462,500	\$74,208	32%	\$364,200
\$462,500	\$693,750	\$105,664	35%	\$462,500
\$693,750	-	\$186,601.50	37%	\$693,750

Married filing separately

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$11,000	10%	-	-
\$11,000	\$44,725	\$1,100	12%	\$11,000
\$44,725	\$95,375	\$5,147	22%	\$44,725
\$95,375	\$182,100	\$16,290	24%	\$95,375
\$182,100	\$231,250	\$37,104	32%	\$182,100
\$231,250	\$346,875	\$52,832	35%	\$231,250
\$346,875	-	\$93,300.75	37%	\$346,875

Head of household

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$15,700	10%	-	-
\$15,700	\$59,850	\$1,570	12%	\$15,700
\$59,850	\$95,350	\$6,868	22%	\$59,850
\$95,350	\$182,100	\$14,678	24%	\$95,350
\$182,100	\$231,250	\$35,498	32%	\$182,100
\$231,250	\$578,100	\$51,226	35%	\$231,250
\$578,100	-	\$172,623.50	37%	\$578,100

Top individual rates in selected states

Arizona	2.5%	Maine	7.15%
Arkansas	4.9%	Minnesota	9.85%
California	12.3% plus 1% on portion of CA taxable income in excess of \$1M	Missouri	4.95% <small>Beginning Jan. 1, 2023, first \$1,000 is exempt from tax, and all income in excess of \$7,000 is subject to top tax rate of 4.95%.</small>
Colorado	4.55%	Montana	6.75%
District of Columbia	10.75%	Pennsylvania	3.07%
Georgia	5.75%	Virginia	5.75%
Idaho	5.8%	Washington	7% (capital gains tax)
Illinois	4.95%	Wisconsin	7.65%
Kentucky	4.5%, effective Jan. 1, 2023 (flat rate system)		

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	\$89,250
			Head of household	\$59,750
			Single or MFS	\$44,625
			Estate and trust	\$3,000
Long-term capital gains	More than one year	15%	MFJ or surviving spouse	\$553,850
			Head of household	\$523,050
			Single	\$492,300
			MFS	\$276,900
Long-term capital gains	More than one year	20%	Greater than 15% thresholds	
			If taxpayer is in a lower tax bracket, the lower rate applies	-
1250 recapture	More than one year	25%		-
Collectible	More than one year	28%	If taxpayer is in a lower tax bracket, the lower rate applies	-

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	\$22,500
SIMPLE	\$15,500

Catch-up contributions for participants age 50 or older

Other than SIMPLE plans	\$7,500
SIMPLE plans	\$3,500

Other limitations and thresholds

Qualified plans — annual compensation limit	\$330,000
Defined benefit — maximum annual benefit	\$265,000
Defined contribution — maximum annual addition	\$66,000
Key employee in top-heavy plan	\$215,000
Highly compensated employee threshold	\$150,000
SEP compensation threshold for participation	\$750

Individual retirement accounts

Traditional IRAs and Roth IRAs

Contribution limit	\$6,500
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	\$73,000–\$83,000
Married filing separately — Any spouse participates	\$0–\$10,000
Married filing jointly — Nonparticipating spouse	\$218,000–\$228,000
Married filing jointly — Participating spouse	\$116,000–\$136,000
Roth IRA contribution eligibility	
Married filing jointly	\$218,000–\$228,000
Single, head of household	\$138,000–\$153,000
Married filing separately — Any spouse participates	\$0–\$10,000

Health savings account

Plan minimum deductible (self/family)	\$1,500/\$3,000
Contribution maximum (self/family)	\$3,850/\$7,750
Catch-up contribution (age 55 or older)	\$1,000
Plan out-of-pocket limit (self/family)	\$7,500/\$15,000

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

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