

Tax Facts and Figures



NUMBER QUEEN LTD

TAX + BUSINESS STRATEGY

2016 Federal Tax Rate Schedules

Single Taxable Income

\$	0	to	9,275	×	10.0%	minus	\$	0.00	=	Tax
	9,276	to	37,650	×	15.0%	minus		463.75	=	Tax
	37,651	to	91,150	×	25.0%	minus		4,228.75	=	Tax
	91,151	to	190,150	×	28.0%	minus		6,963.25	=	Tax
	190,151	to	413,350	×	33.0%	minus		16,470.75	=	Tax
	413,351	to	415,050	×	35.0%	minus		24,737.75	=	Tax
	415,051	and over		×	39.6%	minus		43,830.05	=	Tax

MFJ or QW Taxable Income

\$	0	to	18,550	×	10.0%	minus	\$	0.00	=	Tax
	18,551	to	75,300	×	15.0%	minus		927.50	=	Tax
	75,301	to	151,900	×	25.0%	minus		8,457.50	=	Tax
	151,901	to	231,450	×	28.0%	minus		13,014.50	=	Tax
	231,451	to	413,350	×	33.0%	minus		24,587.00	=	Tax
	413,351	to	466,950	×	35.0%	minus		32,854.00	=	Tax
	466,951	and over		×	39.6%	minus		54,333.70	=	Tax

MFS Taxable Income

\$	0	to	9,275	×	10.0%	minus	\$	0.00	=	Tax
	9,276	to	37,650	×	15.0%	minus		463.75	=	Tax
	37,651	to	75,950	×	25.0%	minus		4,228.75	=	Tax
	75,951	to	115,725	×	28.0%	minus		6,507.25	=	Tax
	115,726	to	206,675	×	33.0%	minus		12,293.50	=	Tax
	206,676	to	233,475	×	35.0%	minus		16,427.00	=	Tax
	233,476	and over		×	39.6%	minus		27,166.85	=	Tax

HOH Taxable Income

\$	0	to	13,250	×	10.0%	minus	\$	0.00	=	Tax
	13,251	to	50,400	×	15.0%	minus		662.50	=	Tax
	50,401	to	130,150	×	25.0%	minus		5,702.50	=	Tax
	130,151	to	210,800	×	28.0%	minus		9,607.00	=	Tax
	210,801	to	413,350	×	33.0%	minus		20,147.00	=	Tax
	413,351	to	441,000	×	35.0%	minus		28,414.00	=	Tax
	441,001	and over		×	39.6%	minus		48,700.00	=	Tax

2016 Personal Exemptions

The personal exemption per person is \$4,050

Personal exemptions phaseout with the following AGI amounts:

	<i>AGI Beginning of Phaseout</i>	<i>AGI Completed Phaseout</i>
MFJ and QW.....	\$311,300	\$433,800
HOH.....	\$285,350	\$407,850
Single.....	\$259,400	\$381,900
MFS.....	\$155,650	\$216,900

2016 Standard Deduction

The basic standard deduction for 2016 is:

Single or MFS	\$6,300
MFJ or QW.....	\$12,600
HOH.....	\$9,300

Age 65 and/or blind. The additional amounts for age 65 or older and/or blind, per person, per event in 2016 are:

MFJ, QW, or MFS.....	\$1,250
Single or HOH	\$1,550

Dependent. The standard deduction in 2016 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,050, or earned income plus \$350.

2016 Itemized Deduction Phaseout

Itemized deductions begin to phase out when modified AGI reaches:

MFJ, QW	\$311,300
HOH.....	\$285,350
Single.....	\$259,400
MFS.....	\$155,650



Tax Facts and Figures

Social Security Highlights

Employee's portion of FICA	2016	2015	2014
Maximum earnings subject to Social Security tax (Medicare no limit)	\$118,500	\$118,500	\$117,000
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$7,347.00	\$7,347.00	\$7,254.00

* Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.

2016 Tax Rates: Capital Gain and Dividend Income

If income is...	Maximum %	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 for taxpayers subject to the top tax rate of 39.6%	20%	More than 1 year
Long-term capital gain for taxpayers subject to a regular tax rate of 25% or higher, up to the rate below the top rate	15%	More than 1 year
Long-term capital gain for taxpayers subject to a regular tax rate of 10% or 15%	0%	More than 1 year
Qualified dividend income for taxpayers subject to the top tax rate of 39.6%	20%	More than 1 year
Qualified dividend income for taxpayers subject to a regular tax rate of 25% or higher, up to the rate below the top rate	15%	More than 60 days
Qualified dividend income for taxpayers subject to a regular tax rate of 10% or 15%	0%	More than 60 days
Ordinary dividend income	39.6%	60 days or less
Short-term capital gain	39.6%	1 year or less

Note: Add 3.8% to the above rates for the net investment income tax for income above \$250,000 MFJ, \$125,000 MFS, and \$200,000 all other filing statuses.

Other Taxes

0.9% Additional Medicare Tax on Wages Income Threshold Amounts

Filing Status	S, HOH, QW	MFJ	MFS
Threshold Amount	\$200,000	\$250,000	\$125,000

3.8% Net Investment Income Tax Threshold Amounts (NIIT)

Filing Status	S, HOH	MFJ, QW	MFS
Threshold Amount	\$200,000	\$250,000	\$125,000

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Business Expenses

2016 Standard Mileage Rate Per Mile	2016 Standard Deduction for Meals—High Low Method (Per Day)
Business.....	High cost localities.....\$68
Medical and moving.....	All other localities.....\$57
Charitable.....	Transportation workers.....\$63
Depreciation.....	
	Qualified Transportation Benefits
Section 179 Expense Limits	Commuter benefits
Regular 179 limits.....	(per month).....\$255
SUV limits.....	Parking benefits (per month).....\$255
Investment phaseout begins.....	

2016 Retirement Plan Limits

401(k)/403(b) Deferral Limits	Roth IRA Phaseout Range
Under age 50.....	MFJ.....
Age 50 and over.....	Single, HOH.....
	MFS.....
IRA Contribution Limits	
Under age 50.....	SIMPLE Deferral Limits
Age 50 and over.....	Under age 50.....
	Age 50 and over.....
IRA Deduction Phaseout Range for Active Participation in Employer Plan	Qualified Retirement Plans
MFJ.....	Profit sharing/SEP
Single, HOH.....	limits.....
MFS.....	Defined benefit plan
Spouse not active	limits.....
participant.....	Compensation limits.....

Education Tax Benefits Phaseouts

American Opportunity Credit/ Hope Credit	Student Loan Interest Deduction Phaseout Range
MFJ phaseout	MFJ.....
range.....	Single and HOH.....
Single and HOH	Maximum deduction is.....
phaseout.....	
Hope credit 100% of the first.....	U.S. Savings Bonds Exemption Phaseout Range
A.O. credit 25% of the next.....	MFJ.....
	Single and HOH.....
Lifetime Learning Credit	
MFJ phaseout range.....	Education Savings Accounts Phaseout Range
Single and HOH	MFJ.....
phaseout.....	All others.....
Lifetime learning credit	
20% of first.....	

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 70½.
- 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.