

# 2023 Tax Rates

## Income Tax

### For Single Taxpayers

Taxable Income		The Tax Is	
Over	But Not Over		Of the Amount Over
\$0	\$11,000	\$0 + 10%	\$0
\$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	\$578,125	\$52,832 + 35%	\$231,250
\$578,125	—	\$174,238.25 + 37%	\$578,125

### For Married Taxpayers Filing Joint Returns and Surviving Spouses

Taxable Income		The Tax Is	
Over	But Not Over		Of the Amount Over
\$0	\$22,000	\$0 + 10%	\$0
\$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

### For Married Taxpayers Filing Separate Returns

Taxable Income		The Tax Is	
Over	But Not Over		Of the Amount Over
\$0	\$11,000	\$0 + 10%	\$0
\$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

### For Individuals Filing as Head of Household

Taxable Income		The Tax Is	
Over	But Not Over		Of the Amount Over
\$0	\$15,700	\$0 + 10%	\$0
\$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

## Capital Gains and Qualified Dividends

	Maximum Taxable Income		
	Below \$44,625	\$44,625–\$492,300*	Over \$492,300*
Single	Below \$44,625	\$44,625–\$492,300*	Over \$492,300*
Married Filing Joint	Below \$89,250	\$89,250–\$553,850*	Over \$553,850*
Married Filing Sep	Below \$44,625	\$44,625–\$276,900*	Over \$276,900*
Head of Household	Below \$59,750	\$59,750–\$523,050*	Over \$523,050*
Short-Term Capital Gains	taxed as income	taxed as income	taxed as income
Long-Term Capital Gains**	0%	15%	20%
Qualified Dividends	0%	15%	20%
Collectibles***	28% maximum	28% maximum	28%
Real Estate Unrealized Gain (Section 1250 Property)	15% maximum	25% maximum	25% maximum

\*May also be subject to the 3.8% net investment income (NII) surtax.

\*\*For investments held longer than one year.

\*\*\*Includes art, rugs, jewelry, precious metals or gemstones, stamps or coins, fine wines and antiques.

## Estates and Trusts Tax Rates

First \$2,900	10%
\$2,900–\$10,550	24%
\$10,550–\$14,450	35%
Over \$14,450	37%



## 2023 Allowable Tax Benefits

### Standard Deduction

#### Under Age 65

Married, Filing Joint	\$27,700
Single	\$13,850
Married, Filing Separate	\$13,850
Heads of Household	\$20,800

#### Additional—Age 65 or Older

Married (or Qualifying Widow)	\$1,500
Single	\$1,850

#### Additional—Blind

Married (or Qualifying Widow)	\$1,500
Single	\$1,850

### Personal Exemption

\$0

### Maximum Child Tax Credit

\$2,000 per child under age 17

### Standard Mileage Deductions

Business Standard Mileage Rate	62.5 cents*
Medical Standard Mileage Rate	22 cents*
Moving Standard Mileage Rate	22 cents*
Charitable Serv Standard Mile Rate	14 cents*

\*The IRS had yet to update these deductions at press time. The online version of this guide will be updated when the information is made available.

### Deductible IRA Contribution

If taxpayer and spouse NOT covered by employer-sponsored plan:

If younger than 50	\$6,500
If 50 or older	\$7,500

### Maximum 401(k) Employee Contribution

If younger than 50	\$22,500
If 50 or older	\$30,000

### Self-Employed Medical Insurance Premium Deduction

100%

### Annual Gift Tax Exclusion (per person)

\$17,000

### Estate Tax Exclusion

\$12.92 million

## 2023 Other Tax Items

### 2023 Social Security Tax Rates

	Employers & Employees	Self-Employed	Wage Limits
Social Security	6.20%	12.40%	\$160,200
Medicare	1.45%	2.90%	no limit
Total	7.65%	15.30%	

### 2023 Itemizable Deductions

Among other items they include:

- » Interest and taxes on your home
- » Uninsured medical expenses above 7.5% of AGI
- » Uninsured casualties attributable to a federally declared disaster above 10% of AGI
- » Contributions to qualified charities
- » State and local income, property and sales taxes totaling up to \$10,000

### 2023 Safe Harbor for Underpayment Penalty

Avoid underpayment penalties by paying (through withholding or estimated tax payments):

AGI \$150,000 or less (\$75,000 married filing separate)

- » 100% of prior tax liability or
- » 90% of current year tax liability

AGI \$150,000 or greater (\$75,000 married filing separate)

- » 110% of prior year tax or
- » 90% of current year tax liability

### 2023 AMT Exemption Amount

Single	\$81,300
Married, Filing Joint	\$126,500
Married, Filing Separate	\$63,250
Head of Household	\$81,300



# 2023 Tax Benefit Phaseout Levels

## Personal Exemption— Eliminated Through 2025

	AGI Phaseout Level
Married, Filing Joint	na
Single	na
Married, Filing Separate	na
Head of Household	na

## Itemized Deduction (“Pease” Limitation)— Eliminated Through 2025

	AGI Phaseout Level
Married, Filing Joint	na
Single	na
Married, Filing Separate	na
Head of Household	na

## Coverdell Education Account

\$2,000 maximum nondeductible contribution per beneficiary; withdrawals are tax-free for qualified education expenses; phaseouts are not indexed to inflation

	Modified AGI* Phaseout Levels
Married, Filing Joint	\$190,000 to \$220,000
Single	\$95,000 to \$110,000
Married, Filing Separate	\$95,000 to \$110,000
Head of Household	\$95,000 to \$110,000

## IRA Deductibility

For those covered by employer retirement plan  
[\$6,500 maximum contribution per taxpayer;  
if 50 or older, maximum is \$7,500]

	Modified AGI* Phaseout Levels
Married, Filing Joint	\$116,000 to \$136,000
Single	\$73,000 to \$83,000
Married, Filing Separate	\$0 to \$10,000
Head of Household	\$73,000 to \$83,000
Married, Filing Joint not covered by Pension plan, but spouse is	\$218,000 to \$228,000

## Roth IRA Eligibility

Maximum \$6,500 nondeductible contribution;  
if 50 or older, maximum is \$7,500

	Modified AGI* Phaseout Levels
Married, Filing Joint	\$218,000 to \$228,000
Single	\$138,000 to \$153,000
Married, Filing Separate	\$0
Head of Household	\$138,000 to \$153,000

\*Modified AGI starts with your AGI (adjusted gross income) and adds back certain tax-exempt amounts including any IRA deductions.

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asking you to share bank account information, click on a link or seek to verify data in an unsolicited manner.

An ongoing common scam is a phone call requesting immediate payment, commonly via prepaid debit cards and/or a money wire. The fraudster will often threaten a lawsuit, to call the police or involve federal authorities. Hang up if you receive such a call even if your caller ID suggests the phone number is from emergency services or a law enforcement agency; the IRS never initiates contact via a phone call or an email. If the IRS wants to contact you about a tax matter, you will receive a physical letter sent through the U.S. Postal Service.

Always restrict access to your Social Security number, monitor your credit reports regularly, consider freezing your credit report and use antivirus and firewall software on your computer. Never give personal or financial information to an unsolicited caller. When in doubt, hang up or otherwise cease communication immediately

and contact the financial institution, service provider or retailer directly to see if they actually talk to you.

Filing your tax return as early as is reasonably possible can also help protect you against scamsters. For additional protection, consider signing up for an Identity Protection PIN at [www.irs.gov/ippin](http://www.irs.gov/ippin). Those in their retirement years should be especially on guard, as the fraudsters are targeting this demographic group. See the box on page 24 for more information on how to protect yourself against fraud attempts.

## Investment Strategies: 2023 and Beyond

Though the ATRA and the Consolidated Appropriations Act of 2016 provided clarity in terms of current legislation, the TCJA had a much bigger and broader impact on the tax code. Not only did the tax brackets for individuals change, but so did many deductions and exemptions.