

2023 Federal Tax & Benefit Reference Guide



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Federal Income Tax

Single Filers

\$0-\$11,000	10.0%
\$11,001-\$44,725	12.0%
\$44,726-\$95,375	22.0%
\$95,376-\$182,100	24.0%
\$182,101-\$231,250	32.0%
\$231,251-\$578,125	35.0%
> \$578,126	37.0%

Married Filing Jointly

\$0-\$22,000	10.0%
\$22,001-\$89,450	12.0%
\$89,451-\$190,750	22.0%
\$190,751-\$364,200	24.0%
\$364,201-\$462,500	32.0%
\$462,501-\$693,750	35.0%
> \$693,751	37.0%

Married Filing Separately

\$0-\$11,000	10.0%
\$11,001-\$44,725	12.0%
\$44,726-\$95,375	22.0%
\$95,376-\$182,100	24.0%
\$182,101-\$231,250	32.0%
\$231,251-\$346,875	35.0%
> \$346,876	37.0%

Head of Household

\$0-\$15,700	10.0%
\$15,701-\$59,850	12.0%
\$59,851-\$95,350	22.0%
\$95,351-\$182,100	24.0%
\$182,101-\$231,250	32.0%
\$231,251-\$578,100	35.0%
> \$578,101	37.0%

Trusts and Estates

\$0-\$2,900	10.0%
\$2,901-\$10,550	24.0%
\$10,551-\$14,450	35.0%
> \$14,451	37.0%

Standard Deductions

Single	\$13,850
Married filing jointly	\$27,700
Married filing separately	\$13,850
Head of household	\$20,800
65 or older or blind	\$1,750 single or head of household
65 or older and blind (additional standard deduction amount)	\$1,400 if married
	\$1,750 if single and not a surviving spouse

Personal exemption	\$0
Qualifying dependents other than qualifying children	\$1,250 credit/dependent or sum of \$400 and earned income

Capital Gain & Dividend Rates (Long-Term*)

Single	Married Filing Jointly
\$0 - \$44,625	0%
\$44,626 - \$492,300	15%
> \$492,301	20%
Collectibles	28%

Head of Household	Married Filing Separately
\$0 - \$59,750	0%
\$59,751 - \$523,050	15%
> \$523,051	20%

*Short-term gains are taxed as ordinary income.

Gift & Estate Tax

Annual gift tax exclusion	\$17,000
Unified estate and gift tax credit amount	\$12,920,000
Annual exclusion for gift to noncitizen spouse	\$175,000
Highest estate and gift tax rate	40%

States with separate estate tax:
CT, DC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA

States with inheritance tax: IA, KY, NE, PA, MD, NJ

Community property states:
AK*, AZ, CA, ID, LA, NM, NV, TX, WA, WI

*Opt-in community property state

Net Investment Income Tax (3.8% Medicare Surtax Thresholds)

Tax Filing Status

Single/Head of household	\$200,000
Married filing jointly	\$250,000
Married filing separately	\$125,000
Trusts and estates	\$13,050

Education

529 Plan Contributions

\$17,000 per year per child before gift tax*	
Accelerate 5 years of gifting into 1 year:	
Per individual	\$85,000
Per couple	\$170,000

Education Phaseouts

Student Loan Interest Deductions

Maximum deduction for student loan interest is \$2,500. Deductions are phased out according to the following:

Phase-out: Single return	\$75,000 – \$90,000
Married, filing jointly	\$155,000 – \$185,000

American Opportunity Credit/ Hope Scholarship Credit

Maximum \$2,500 (100% of first \$2,000 + 25% of next \$2,000 of eligible expenses)

Phase-out: Married filing jointly	\$160,000 – \$180,000
Single	\$80,000 – \$90,000

Lifetime Learning Credits 20% of qualified expenses up to \$10,000

Married filing jointly	\$160,000 - \$180,000
Single or HOH	\$80,000 - \$90,000

Coverdell Education Savings Accounts

Maximum Contribution of \$2,000

Married filing jointly	\$190,000 – \$220,000
Others	\$95,000 – \$110,000

Retirement Plans

Traditional IRA

Contribution limit	\$6,500
50+ catch-up	\$7,500

Trad. IRA Deductibility Phaseout (MAGI)

(Participants in employer plans)

Married filing jointly	\$116,000 – \$136,000
Married filing separately	\$0 – \$10,000
Single/Head of household	\$73,000 – \$83,000
Non-covered participant with a covered-participant spouse	\$218,000 – \$228,000

Nonparticipant married to a participant

Married filing jointly	\$218,000 – \$228,000
Married filing separately	\$0 – \$10,000

Roth IRA Deductibility Phaseout (MAGI)

Married filing jointly	\$218,000 – \$228,000
Married filing separately	\$0 – \$10,000
Single/Head of household	\$138,000 – \$153,000

Qualified Plans

Employee 401(k), 403(b), 457(b) salary deferral under age 50*	\$22,500
50+ catch-up	\$30,000
SIMPLE salary deferral under age 50	\$15,500
50+ catch-up	\$19,000
Maximum contribution	\$66,000
Covered compensation limit	\$330,000
Highly compensated employee	\$150,000
Maximum employer percentage deduction limit (of eligible payroll)	25%

*Special catch-up rules may apply to some 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years prior to retirement.

Source: <https://www.forbes.com/advisor/taxes/standard-deduction/>

Source: <https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2023>

Source: <https://www.ssa.gov/benefits/retirement/planner/delayret.html>

*State tax treatment may differ from federal tax treatment, so look to the laws of your state to find out how your state will treat a 529 plan gift. The 5-year election must be reported on Form 709 for each of the five years.

This content is for general informational purposes only. It is not intended to provide fiduciary, tax, or legal advice and cannot be used to avoid tax penalties; nor is it intended to market, promote, or recommend any tax plan or arrangement.

1. Under age 19 with net unearned income, or under age 24 if a full-time student whose earned income does not exceed half of his or her own support for the year.

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Social Security

Taxable Wage Base

Maximum earnings (during workings years) subject to payroll tax	\$160,200
Medicare (Hospital Insurance)	No limit

Retirement Earning Test

Under full retirement age	\$21,240
Year reaching full retirement age	\$56,520

Note: \$1 in benefits will be withheld for every \$2 in earnings above the limit.

Note: Applies only to earnings for months prior to attaining full retirement age. \$1 in benefits will be withheld for every \$2 in earnings above the limit.

Taxability of Benefits

Provisional Income =
Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefits

	Not Taxable	MAGI Up to 50%	MAGI Up to 85%
Individual	< \$25,000	\$25,000 – \$34,000	> \$34,000
Married filing jointly	< \$32,000	\$32,000 – \$44,000 MAGI	> \$44,000 MAGI
Married filing separately	up to 85% of benefits are taxable		

FICA Tax Rates

	Self-Employed	Employee
OASDI (Social Security) *on the first \$200,000	12.40%	6.2%
Medicare	2.90%	1.45%
Additional Medicare Tax*	0.90%	0.90%

*in excess of \$200,000 (\$250,000 for joint returns; \$125,000 for married taxpayers filing a separate return)

*Additional Medicare tax went into effect in 2013 and applies to wages, compensation, and self-employment income above a threshold amount:

Filing Status	Threshold
Married filing jointly	\$250,000+
Married filing separately	\$125,000+
Others	\$200,000+

Age to Receive Full Benefits

Birth Year	Full Retirement Age	% Reduced if Taken at Age 62
1943 – 1954	66	25.00%
1955	66 & 2 mos.	25.83%
1956	66 & 4 mos.	26.67%
1957	66 & 6 mos.	27.50%
1958	66 & 8 mos.	28.33%
1959	66 & 10 mos.	29.17%
1960 & later	67	30.00%

Delayed Retirement Credits

Accrues starting at full retirement age, until you start receiving benefits or reach age 70

Birth Year	Annual Rate of Increase
1943 or later	8.00% (% of 1% per month)

Health Savings Accounts

Contribution Limits

Single	\$3,850
Family	\$7,750
Age 55+ catch-up	+\$1,000

High Deductible Health Plans

Maximum earnings (during workings years) subject to payroll tax

	Min. Deductible	Max. Out of Pocket
Self-only	\$1,500	\$7,500
Family	\$3,000	\$15,000

Required Minimum Distributions (RMDs)

Uniform Lifetime Table

This table is used to determine the required minimum distributions from IRAs and Qualified Plans during the owner's life in situations where the owner's spouse is either not the sole designated beneficiary or is the sole designated beneficiary but is not more than 10 years younger than the owner. (Joint Life Publication 590 if owner's spouse is more than 10 years younger.)

Age	Divisor	Age	Divisor	Age	Divisor	Age	Divisor
73	26.5	80	20.2	87	14.4	94	9.5
74	25.5	81	19.4	88	13.7	95	8.9
75	24.6	82	18.5	89	12.9	96	8.4
76	23.7	83	17.7	90	12.2	97	7.8
77	22.9	84	16.8	91	11.5	98	7.3
78	22.0	85	16.0	92	10.8	99	6.8
79	21.1	86	15.2	93	10.1	100	6.4

Single Life Expectancy Table

This table may be used to determine the minimum amount of withdrawal that is required each year for an individual who inherits money as a designated beneficiary of an IRA. The individual must be specifically named as the beneficiary in order to use the table. If the estate is named, or if no individual(s) is named as the beneficiary of the IRA, the heirs will not be able to stretch out the withdrawals through the use of the single life table.

Age	Divisor	Age	Divisor	Age	Divisor	Age	Divisor	Age	Divisor
32	51.4	43	40.7	54	30.5	65	21	76	12.7
33	50.4	44	39.8	55	29.6	66	20.2	77	12.1
34	49.4	45	38.8	56	28.7	67	19.4	78	11.4
35	48.5	46	37.9	57	27.9	68	18.6	79	10.8
36	47.5	47	37	58	27	69	17.8	80	10.2
37	46.5	48	36	59	26.1	70	17	81	9.7
38	45.6	49	35.1	60	25.2	71	16.3	82	9.1
39	44.6	50	34.2	61	24.4	72	15.5	83	8.6
40	43.6	51	33.3	62	23.5	73	14.8	84	8.1
41	42.7	52	32.3	63	22.7	74	14.1	85	7.6
42	41.7	53	31.4	64	21.8	75	13.4	86	7.1

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*State tax treatment may differ from federal tax treatment, so look to the laws of your state to find out how your state will treat a 529 plan gift.

*If using the 5-year gift tax averaging seek guidance from your tax professional, you may need to treat the contribution as if it were spread over a 5-year period. The 5-year election must be reported on Form 709 for each of the five years. This content is for general informational purposes only. It is not intended to provide fiduciary, tax, or legal advice and cannot be used to avoid tax penalties; nor is it intended to market, promote, or recommend any tax plan or arrangement.

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