

## RETIREMENT BENEFIT LIMITS

Benefit	Limit
Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 17,500
Contributions to defined contribution plans	\$ 52,000
Contributions to SIMPLEs	\$ 12,000
Contributions to IRAs	\$ 5,500
Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 5,500
Catch-up contributions to SIMPLEs	\$ 2,500
Catch-up contributions to IRAs	\$ 1,000
Compensation for benefit purposes for qualified plans and SEPs	\$260,000
Highly compensated employee threshold	\$115,000
Annual benefit for defined benefit plans	\$210,000

## LONG-TERM CARE INSURANCE

Age	Premium deduction limit
40 and under	\$ 370
41 to 50	\$ 700
51 to 60	\$ 1,400
61 to 70	\$ 3,720
Over 70	\$ 4,660

## EARNINGS THRESHOLDS FOR PHASEOUT OF SOCIAL SECURITY BENEFITS

Retirement age status	Earnings limit
Before Full Retirement Age (FRA)	\$15,480 per year
Pre-FRA in year you reach FRA	\$3,450 per month
FRA and after	None

## ESTATE AND TRUST INCOME TAX RATES

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 2,500	15%	\$ 0
\$2,501 – \$ 5,800	\$ 375.00 + 25%	\$ 2,500
\$5,801 – \$ 8,900	\$ 1,200.00 + 28%	\$ 5,800
\$8,901 – \$12,150	\$ 2,068.00 + 33%	\$ 8,900
Over \$12,150	\$ 3,140.50 + 39.6%	\$12,150

## GIFT AND ESTATE TAX EXEMPTIONS AND RATES

Year	Exemption	Top rate
2013	\$ 5,250,000	40%
2014	\$ 5,340,000	40%

A surviving spouse may be able to use the deceased spouse's unused estate tax exemption. The annual gift tax exclusion is \$14,000 per recipient (\$28,000 if spouses elect "split-gift" treatment).

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## CORPORATE INCOME TAX RATES

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 50,000	15%	\$ 0
\$ 50,001 – \$ 75,000	\$ 7,500 + 25%	\$ 50,000
\$ 75,001 – \$ 100,000	\$ 13,750 + 34%	\$ 75,000
\$ 100,001 – \$ 335,000	\$ 22,250 + 39%	\$ 100,000
\$ 335,001 – \$10,000,000	\$ 113,900 + 34%	\$ 335,000
\$10,000,001 – \$15,000,000	\$3,400,000 + 35%	\$10,000,000
\$15,000,001 – \$18,333,333	\$5,150,000 + 38%	\$15,000,000
Over \$18,333,333	\$6,416,667 + 35%	\$18,333,333

Personal service corporations are taxed at a flat 35% rate.

## SECTION 179 EXPENSING

	2013	2014 <sup>1</sup>
Expensing limit	\$ 500,000	\$ 25,000
Phaseout threshold	\$2,000,000	\$200,000

<sup>1</sup> Congress might extend 2013 levels or make other changes. Check with your tax advisor for the latest information.

## BONUS DEPRECIATION

2013	2014 <sup>1</sup>
50%	0%

<sup>1</sup> 50% for certain long-lived and transportation property. Congress might extend 50% bonus depreciation for all qualifying assets or make other changes. Check with your tax advisor for the latest information.

## DEPRECIATION CLASSES AND METHODS

Class	Method	Examples
36-month	Straight-line	Software
3-year	200% DB <sup>1</sup>	Dies, molds, small tools
5-year	200% DB <sup>1</sup>	Vehicles, computers, office equipment
7-year	200% DB <sup>1</sup>	Manufacturing equipment, office furniture
7-year	150% DB <sup>1</sup>	Farm equipment
27.5-year	Straight-line	Rental residential buildings
39-year	Straight-line	Nonresidential buildings

<sup>1</sup> Declining-balance.

## MACRS DEPRECIATION RATES (with half-year convention)

Year	3-year	5-year	7-year
1	33.33%	20.00%	14.29%
2	44.45%	32.00%	24.49%
3	14.81%	19.20%	17.49%
4	7.41%	11.52%	12.49%
5	—	11.52%	8.93%
6	—	5.76%	8.92%
7	—	—	8.93%
8	—	—	4.46%



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# 2014 POCKET TAX GUIDE

## INDIVIDUAL INCOME TAX RATES<sup>1</sup>

### Single

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 9,075	10%	\$ 0
\$ 9,076 – \$ 36,900	\$ 907.50 + 15%	\$ 9,075
\$ 36,901 – \$ 89,350	\$ 5,081.25 + 25%	\$ 36,900
\$ 89,351 – \$186,350	\$ 18,193.75 + 28%	\$ 89,350
\$186,351 – \$405,100	\$ 45,353.75 + 33%	\$186,350
\$405,101 – \$406,750	\$117,541.25 + 35%	\$405,100
Over \$406,750	\$118,118.75 + 39.6%	\$406,750

### Head of household

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 12,950	10%	\$ 0
\$ 12,951 – \$ 49,400	\$ 1,295.00 + 15%	\$ 12,950
\$ 49,401 – \$127,550	\$ 6,762.50 + 25%	\$ 49,400
\$127,551 – \$206,600	\$ 26,300.00 + 28%	\$127,550
\$206,601 – \$405,100	\$ 48,434.00 + 33%	\$206,600
\$405,101 – \$432,200	\$113,939.00 + 35%	\$405,100
Over \$432,200	\$123,424.00 + 39.6%	\$432,200

### Married filing jointly or surviving spouse

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 18,150	10%	\$ 0
\$ 18,151 – \$ 73,800	\$ 1,815.00 + 15%	\$ 18,150
\$ 73,801 – \$148,850	\$ 10,162.50 + 25%	\$ 73,800
\$148,851 – \$226,850	\$ 28,925.00 + 28%	\$148,850
\$226,851 – \$405,100	\$ 50,765.00 + 33%	\$226,850
\$405,101 – \$457,600	\$109,587.50 + 35%	\$405,100
Over \$457,600	\$127,962.50 + 39.6%	\$457,600

### Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 9,075	10%	\$ 0
\$ 9,076 – \$ 36,900	\$ 907.50 + 15%	\$ 9,075
\$ 36,901 – \$ 74,425	\$ 5,081.25 + 25%	\$ 36,900
\$ 74,426 – \$113,425	\$ 14,462.50 + 28%	\$ 74,425
\$113,426 – \$202,550	\$ 25,382.50 + 33%	\$113,425
\$202,551 – \$228,800	\$ 54,793.75 + 35%	\$202,550
Over \$228,800	\$ 63,981.25 + 39.6%	\$228,800

<sup>1</sup> These rates generally apply to earned income, business income, interest and nonqualified dividends. Long-term capital gains rates apply to qualified dividends.

## STANDARD DEDUCTIONS

Filing status	Deduction
Single	\$ 6,200
Head of household	\$ 9,100
Married filing jointly or surviving spouse	\$12,400
Married filing separately	\$ 6,200

## CAPITAL GAINS TAX RATES

Type of gain	Maximum rate
Short-term gain (assets held 12 months or less)	39.6%
Long-term gain (generally assets held more than 12 months)	15% or 20% <sup>1</sup>
Long-term gain on collectibles	28%
Long-term gain attributable to certain depreciation recapture	25%
Gain on qualified small business stock held more than 5 years	14% <sup>2</sup>
Long-term gain that would be taxed at 15% or less based on the taxpayer's ordinary-income rate	0%

<sup>1</sup> The 20% rate applies only to those with taxable income exceeding \$406,750 (singles), \$432,200 (heads of households), \$457,600 (joint filers) or \$228,800 (separate filers).

<sup>2</sup> Effective rate based on 50% exclusion from a 28% rate.

## ALTERNATIVE MINIMUM TAX

### Single, head of household, married filing jointly or surviving spouse

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$182,500	26%	\$ 0
Over \$182,500	\$47,450 + 28%	\$182,500

### Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 91,250	26%	\$ 0
Over \$ 91,250	\$23,725 + 28%	\$ 91,250

### Exemptions

Filing status	Exemption amount
Single or head of household	\$ 52,800
Married filing jointly	\$ 82,100
Married filing separately	\$ 41,050

### Exemption phaseouts based on AMT income

Filing status	Income range of phaseout
Single or head of household	\$117,300 – \$328,500
Married filing jointly	\$156,500 – \$484,900
Married filing separately	\$ 78,250 – \$242,450

## STANDARD MILEAGE RATES

Use of vehicle	Deduction per mile
Business	56 cents
Medical or moving	23.5 cents
Charitable	14 cents

## FICA RATES AND EXPANDED MEDICARE TAXES

The rate for the employee portion of Social Security tax is 6.2%, and the maximum earned income it applies to is \$117,000, while the Medicare rate is 1.45% and applies to all earned income.

Self-employed individuals pay both the employee and employer portions, but get a deduction for the employer portion.

Cash wages totaling \$1,900 or more to household employees are also subject to FICA taxes.

An additional 0.9% Medicare tax applies to FICA wages and self-employment income exceeding \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers). A new 3.8% Medicare tax applies to net investment income to the extent that modified adjusted gross income (MAGI) exceeds these same amounts.

## PERSONAL EXEMPTION AND ITEMIZED DEDUCTION LIMITS

Exemption amount: \$3,950

Personal exemptions and many itemized deductions are reduced if adjusted gross income (AGI) exceeds certain levels: \$254,200 (singles), \$279,650 (heads of households), \$305,050 (joint filers) and \$152,525 (separate filers).

## HEALTH SAVINGS ACCOUNTS

Limit	Individual	Family
Contribution	\$3,300	\$ 6,550
Catch-up contribution	\$1,000	\$ 1,000
Minimum high-deductible health plan (HDHP) deductible	\$1,250	\$ 2,500
Maximum HDHP out-of-pocket costs	\$6,350	\$12,700

## COVERDELL ESAs

Contribution limit per beneficiary: \$2,000

### Phaseouts based on contributor's MAGI

Filing status	MAGI range of phaseout
Single or head of household	\$ 95,000 – \$110,000
Married filing jointly	\$190,000 – \$220,000