



SEILER LLP

CERTIFIED PUBLIC ACCOUNTANTS

INNOVATIVE THINKING
SOPHISTICATED SOLUTIONS

INDIVIDUAL INCOME TAX RATES¹

Single

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 9,275	10%	\$ 0
\$ 9,276 – \$ 37,650	\$ 927.50 + 15%	\$ 9,275
\$ 37,651 – \$ 91,150	\$ 5,183.75 + 25%	\$ 37,650
\$ 91,151 – \$190,150	\$ 18,558.75 + 28%	\$ 91,150
\$190,151 – \$413,350	\$ 46,278.75 + 33%	\$190,150
\$413,351 – \$415,050	\$119,934.75 + 35%	\$413,350
Over \$415,050	\$120,529.75 + 39.6%	\$415,050

Head of household

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 13,250	10%	\$ 0
\$ 13,251 – \$ 50,400	\$ 1,325.00 + 15%	\$ 13,250
\$ 50,401 – \$130,150	\$ 6,897.50 + 25%	\$ 50,400
\$130,151 – \$210,800	\$ 26,835.00 + 28%	\$130,150
\$210,801 – \$413,350	\$ 49,417.00 + 33%	\$210,800
\$413,351 – \$441,000	\$116,258.50 + 35%	\$413,350
Over \$441,000	\$125,936.00 + 39.6%	\$441,000

Married filing jointly or surviving spouse

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 18,550	10%	\$ 0
\$ 18,551 – \$ 75,300	\$ 1,855.00 + 15%	\$ 18,550
\$ 75,301 – \$151,900	\$ 10,367.50 + 25%	\$ 75,300
\$151,901 – \$231,450	\$ 29,517.50 + 28%	\$151,900
\$231,451 – \$413,350	\$ 51,791.50 + 33%	\$231,450
\$413,351 – \$466,950	\$111,818.50 + 35%	\$413,350
Over \$466,950	\$130,578.50 + 39.6%	\$466,950

Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 9,275	10%	\$ 0
\$ 9,276 – \$ 37,650	\$ 927.50 + 15%	\$ 9,275
\$ 37,651 – \$ 75,950	\$ 5,183.75 + 25%	\$ 37,650
\$ 75,951 – \$115,725	\$ 14,758.75 + 28%	\$ 75,950
\$115,726 – \$206,675	\$ 25,895.75 + 33%	\$115,725
\$206,676 – \$233,475	\$ 55,909.25 + 35%	\$206,675
Over \$233,475	\$ 65,289.25 + 39.6%	\$233,475

¹ 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	\$ 6,300
Head of household	\$ 9,300
Married filing jointly or surviving spouse	\$12,600
Married filing separately	\$ 6,300

CAPITAL GAINS TAX RATES

Type of gain	Maximum rate ¹
Short-term gain (assets held 12 months or less)	39.6%
Long-term gain (generally assets held more than 12 months)	15% or 20% ²
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% ³
Long-term gain that would be taxed at 15% or less based on the taxpayer's ordinary-income rate	0%

¹ The 3.8% net investment income tax applies to net investment income to the extent that modified adjusted gross income (MAGI) exceeds \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

² The 20% rate applies only to those with taxable income exceeding \$415,050 (singles), \$441,000 (heads of households), \$466,950 (joint filers) or \$233,475 (separate filers).

³ Effective rate based on 50% exclusion from a 28% rate. If stock was acquired after February 17, 2009, and before September 28, 2010, the rate is 7% (75% exclusion from a 28% rate). If stock was acquired on or after September 28, 2010, the rate is 0%.

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 – \$186,300	26%	\$ 0
Over \$186,300	\$48,438 + 28%	\$186,300

Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$0 – \$ 93,150	26%	\$ 0
Over \$ 93,150	\$24,219 + 28%	\$93,150

Exemptions

<i>Filing status</i>	<i>Exemption amount</i>
Single or head of household	\$53,900
Married filing jointly	\$83,800
Married filing separately	\$41,900

Exemption phaseouts based on AMT income

<i>Filing status</i>	<i>Income range of phaseout</i>
Single or head of household	\$119,700 – \$335,300
Married filing jointly	\$159,700 – \$494,900
Married filing separately	\$ 79,850 – \$247,450

STANDARD MILEAGE RATES

Use of vehicle	Deduction per mile
Business	54 cents
Medical or moving	19 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 \$118,500, 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 \$2,000 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).

PERSONAL EXEMPTION AND ITEMIZED DEDUCTION LIMITS

Exemption amount: \$4,050

Personal exemptions and many itemized deductions are reduced if adjusted gross income (AGI) exceeds certain levels: \$259,400 (singles), \$285,350 (heads of households), \$311,300 (joint filers) and \$155,650 (separate filers).

HEALTH SAVINGS ACCOUNTS

Limit	Individual	Family
Contribution	\$3,350	\$ 6,750
Catch-up contribution	\$1,000	\$ 1,000
Minimum high-deductible health plan (HDHP) deductible	\$1,300	\$ 2,600
Maximum HDHP out-of-pocket costs	\$6,550	\$13,100

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

RETIREMENT BENEFIT LIMITS

Benefit	Limit
Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 18,000
Contributions to defined contribution plans	\$ 53,000
Contributions to SIMPLEs	\$ 12,500
Contributions to IRAs	\$ 5,500
Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 6,000
Catch-up contributions to SIMPLEs	\$ 3,000
Catch-up contributions to IRAs	\$ 1,000
Compensation for benefit purposes for qualified plans and SEPs	\$265,000
Highly compensated employee threshold	\$120,000
Annual benefit for defined benefit plans	\$210,000

LONG-TERM CARE INSURANCE

Age	Premium deduction limit
40 and under	\$ 390
41 to 50	\$ 730
51 to 60	\$1,460
61 to 70	\$3,900
Over 70	\$4,870

EARNINGS THRESHOLDS FOR PHASEOUT OF SOCIAL SECURITY BENEFITS

Retirement age status	Earnings limit
Before Full Retirement Age (FRA)	\$15,720 per year
Pre-FRA in year you reach FRA	\$3,490 per month
FRA and after	None

ESTATE AND TRUST INCOME TAX RATES

If taxable income is tax is of amount over
\$ 0 – \$ 2,550	15%	\$ 0
\$2,551 – \$ 5,950	\$ 382.50 + 25%	\$ 2,550
\$5,951 – \$ 9,050	\$1,232.50 + 28%	\$ 5,950
\$9,051 – \$12,400	\$2,100.50 + 33%	\$ 9,050
Over \$12,400	\$3,206.00 + 39.6%	\$12,400

GIFT AND ESTATE TAX EXEMPTIONS AND RATES

Year	Exemption	Top rate
2015	\$ 5,430,000	40%
2016	\$ 5,450,000	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

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 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	\$ 0 + 35%	\$ 0

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

SECTION 179 EXPENSING

	2015	2016
Expensing limit	\$ 500,000	\$ 500,000
Phaseout threshold	\$2,000,000	\$2,010,000

BONUS DEPRECIATION

2015	2016
50%	50%

DEPRECIATION CLASSES AND METHODS

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

¹ Declining-balance.

MACRS DEPRECIATION RATES (with half-year convention)

Year	Asset class		
	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%