

HEALTH SAVINGS ACCOUNTS

Limit	Individual	Family
HSA contribution	\$4,150	\$ 8,300
HSA catch-up contribution	\$1,000	\$ 1,000
Minimum high-deductible health plan (HDHP) deductible	\$1,600	\$ 3,200
Maximum HDHP out-of-pocket costs	\$8,050	\$16,100

FLEXIBLE SPENDING ACCOUNT CONTRIBUTIONS

Health care FSA	\$3,200
Dependent care FSA	\$5,000

RETIREMENT BENEFIT LIMITS

Benefit	Limit
Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 23,000
Contributions to defined contribution plans	\$ 69,000
Contributions to SIMPLEs	\$ 16,000
Contributions to IRAs	\$ 7,000
Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 7,500
Catch-up contributions to SIMPLEs	\$ 3,500
Catch-up contributions to IRAs	\$ 1,000
Compensation for benefit purposes for qualified plans and SEPs	\$345,000
Highly compensated employee threshold	\$155,000
Annual benefit for defined benefit plans	\$275,000

LONG-TERM-CARE INSURANCE

Age	Premium deduction limit
40 and under	\$ 470
41 to 50	\$ 880
51 to 60	\$1,760
61 to 70	\$4,710
Over 70	\$5,880

EARNINGS THRESHOLDS FOR PHASEOUT OF SOCIAL SECURITY BENEFITS

Retirement age status	Earnings limit
Before Full Retirement Age (FRA)	\$22,320 per year
Pre-FRA in year you reach FRA	\$4,960 per month
FRA and after	None

GIFT AND ESTATE TAX EXEMPTIONS AND RATES

Exemption	Top rate
\$13,610,000	40%

A surviving spouse may be able to use the deceased spouse's unused estate tax exemption. The annual gift tax exclusion is \$18,000 per recipient (\$36,000 if spouses elect "split-gift" treatment).

CORPORATE INCOME TAX RATES

C corporations and professional services corporations are taxed at a flat 21% rate.

SECTION 199A DEDUCTION FOR OWNERS OF PASS-THROUGH ENTITIES¹

20% of qualified business income.

When an owner's taxable income exceeds \$191,950 (\$383,900 for joint filers), the following limits are phased in over a \$50,000 range (\$100,000 range for joint filers):

- Deduction isn't available for income from specified service businesses.
- Deduction can't exceed the greater of the owner's share of:
 - 50% of the amount of W-2 wages paid to employees by the qualified business during the tax year, or
 - The sum of 25% of W-2 wages plus 2.5% of the cost of qualified property.

¹ Including sole proprietors.

SECTION 179 EXPENSING AND BONUS DEPRECIATION

Sec. 179 expensing limit	\$ 1,220,000
Sec. 179 phaseout threshold	\$3,050,000
Bonus depreciation limit	60%

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%

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2024 POCKET TAX GUIDE



AS OF
JANUARY 2024—
TAX RATES
SUBJECT TO
CHANGE.

INDIVIDUAL INCOME TAX RATES¹

Single		
If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 11,600	10%	\$ 0
\$ 11,601 – \$ 47,150	\$ 1,160.00 + 12%	\$ 11,600
\$ 47,151 – \$100,525	\$ 5,426.00 + 22%	\$ 47,150
\$100,526 – \$191,950	\$ 17,168.50 + 24%	\$100,525
\$191,951 – \$243,725	\$ 39,110.50 + 32%	\$191,950
\$243,726 – \$609,350	\$ 55,678.50 + 35%	\$243,725
Over \$609,350	\$183,647.25 + 37%	\$609,350

Head of household		
If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 16,550	10%	\$ 0
\$ 16,551 – \$ 63,100	\$ 1,655.00 + 12%	\$ 16,550
\$ 63,101 – \$100,500	\$ 7,241.00 + 22%	\$ 63,100
\$100,501 – \$191,950	\$ 15,469.00 + 24%	\$100,500
\$191,951 – \$243,700	\$ 37,417.00 + 32%	\$191,950
\$243,701 – \$609,350	\$ 53,977.00 + 35%	\$243,700
Over \$609,350	\$181,954.50 + 37%	\$609,350

Married filing jointly		
If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 23,200	10%	\$ 0
\$ 23,201 – \$ 94,300	\$ 2,320.00 + 12%	\$ 23,200
\$ 94,301 – \$201,050	\$ 10,852.00 + 22%	\$ 94,300
\$201,051 – \$383,900	\$ 34,337.00 + 24%	\$201,050
\$383,901 – \$487,450	\$ 78,221.00 + 32%	\$383,900
\$487,451 – \$731,200	\$111,357.00 + 35%	\$487,450
Over \$731,200	\$196,669.50 + 37%	\$731,200

Married filing separately		
If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 11,600	10%	\$ 0
\$ 11,601 – \$ 47,150	\$ 1,160.00 + 12%	\$ 11,600
\$ 47,151 – \$100,525	\$ 5,426.00 + 22%	\$ 47,150
\$100,526 – \$191,950	\$ 17,168.50 + 24%	\$100,525
\$191,951 – \$243,725	\$ 39,110.50 + 32%	\$191,950
\$243,726 – \$365,600	\$ 55,678.50 + 35%	\$243,725
Over \$365,600	\$ 98,334.75 + 37%	\$365,600

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

FICA RATES AND ADDITIONAL MEDICARE TAX

The rate for the employee portion of Social Security tax is 6.2%, and the maximum earned income it applies to is \$168,600, 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 \$2,700 or more to a household employee 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).

Employers must withhold the additional Medicare tax beginning in the pay period when wages exceed \$200,000 for the calendar year, without regard to an employee’s filing status.

CAPITAL GAINS TAX RATES

Type of gain	Maximum rate¹
Short-term gain (assets held 12 months or less)	37%
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
Most long-term gain that would be taxed at 12% 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 \$518,900 (singles), \$551,350 (heads of households), \$583,750 (joint filers), \$291,850 (separate filers) or \$15,450 (estates and trusts).

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 or married filing jointly		
If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$232,600	26%	\$ 0
Over \$232,600	\$60,476 + 28%	\$232,600

Married filing separately		
If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$116,300	26%	\$ 0
Over \$116,300	\$30,238 + 28%	\$116,300

Exemptions	
Filing status	Exemption amount
Single or head of household	\$ 85,700
Married filing jointly	\$133,300
Married filing separately	\$ 66,650

Exemption phaseouts based on AMT income	
Filing status	Income range of phaseout
Single or head of household	\$ 609,350 – \$ 952,150
Married filing jointly	\$1,218,700 – \$1,751,900
Married filing separately	\$ 609,350 – \$ 875,950

ESTATE AND TRUST INCOME TAX RATES

If taxable income is ...	... tax is ...	... of amount over
\$ 0 – \$ 3,100	10%	\$ 0
\$ 3,101 – \$11,150	\$ 310.00 + 24%	\$ 3,100
\$11,151 – \$15,200	\$2,242.00 + 35%	\$11,150
Over \$15,200	\$3,659.50 + 37%	\$15,200

“KIDDIE” TAX

This tax generally applies to unearned income beyond \$2,600 of children under age 19, or under 24 if a full-time student. Such income is generally taxed according to the parents’ marginal tax bracket.

STANDARD DEDUCTIONS

Filing status	Deduction
Single	\$ 14,600
Head of household	\$21,900
Married filing jointly or surviving spouse	\$29,200
Married filing separately	\$ 14,600

ITEMIZED DEDUCTION LIMITS¹

State and local tax
Up to \$10,000 on a combined basis for property tax and either income tax or sales tax (\$5,000 for separate filers).

Home mortgage interest
Acquisition debt of up to \$750,000. (This limit is generally for indebtedness incurred after Dec. 15, 2017; a \$1 million limit still applies to indebtedness incurred on or before that date.)

Miscellaneous itemized deductions subject to the 2% floor
No longer deductible. (Examples include investment expenses, certain professional fees and unreimbursed employee business expenses.)

Casualty and theft losses
No longer deductible except for losses due to an event officially declared a disaster by the President.

Medical expenses
Unreimbursed medical expenses in excess of 7.5% of adjusted gross income are deductible.

¹ Additional rules and limits may affect these deductions.

STANDARD MILEAGE RATES

Use of vehicle	Deduction per mile
Business	67 cents
Medical or moving	21 cents
Charitable	14 cents

CHILD AND EDUCATION BREAKS¹

Tax break	Maximum	MAGI² phaseout range
Credit	Single / Head of household³	Married filing jointly
Child	\$2,000	\$200,000–\$240,000 \$400,000–\$440,000
Adoption	\$16,810	\$252,150–\$292,150 \$252,150–\$292,150
Dependent care⁴	\$600	\$ 15,000–\$ 43,000 \$ 15,000–\$ 43,000
American Opportunity	\$2,500	\$ 80,000–\$ 90,000 \$160,000–\$180,000
Lifetime Learning	\$2,000	\$ 80,000–\$ 90,000 \$160,000–\$180,000
Other		
Student loan interest deduction	\$2,500	\$ 80,000–\$ 95,000 \$165,000–\$195,000
ESA contribution	\$2,000	\$ 95,000–\$110,000 \$190,000–\$220,000

¹ Assumes one child or student. Amounts may vary for more than one child or student. Other rules and limits might reduce the break.

² Modified adjusted gross income.

³ These ranges also apply to married taxpayers filing separately, except that separate filers aren’t eligible for the American Opportunity or Lifetime Learning credit or the student loan interest deduction.

⁴ The phaseout is based on AGI rather than MAGI. The credit doesn’t phase out altogether, but the minimum credit percentage of 20% applies to AGIs above \$43,000.