

## **Tax Facts and Figures**

### Williams Tax & Bookkeeping 2122 Cedarhurst Drive Benton, AR 72015 501-778-6873

<b>2018 Fed</b>	lera	l Tax Ra	ate	Sched	ules				
Single Tax	able	Income							
\$ 0	to	9,525	×	10.0%	minus	\$	0.00	=	Tax
9,526	to	38,700	×	12.0%	minus		190.50	=	Tax
38,701	to	82,500	×	22.0%	minus	4	4,060.50	=	Tax
82,501	to	157,500	×	24.0%	minus	į	5,710.50	=	Tax
157,501	to	200,000	×	32.0%	minus	18	3,310.50	=	Tax
200,001	to	500,000	×	35.0%	minus	24	4,310.50	=	Tax
500,001	and	d over	×	37.0%	minus	34	4,310.50	=	Tax
MFJ or QV	/ Tax	able Incor	ne						
\$ 0	to	19,050	×	10.0%	minus	\$	0.00	=	Tax
19,051	to	77,400	×	12.0%	minus		381.00	=	Tax
77,401	to	165,000	×	22.0%	minus	8	3,121.00	=	Tax
165,001	to	315,000	×	24.0%	minus	1	1,421.00	=	Tax
315,001	to	400,000	×	32.0%	minus	36	5,621.00	=	Tax
400,001	to	600,000	×	35.0%	minus	48	3,621.00	=	Tax
600,001	and	d over	×	37.0%	minus	60	0,621.00	=	Tax
MFS Taxal	ole In	come							
\$ 0	to	9,525	×	10.0%	minus	\$	0.00	=	Tax
9,526	to	38,700	×	12.0%	minus		190.50	=	Tax
38,701	to	82,500	×	22.0%	minus	4	1,060.50	=	Tax
82,501	to	157,500	×	24.0%	minus	į	5,710.50	=	Tax
157,501	to	200,000	×	32.0%	minus	18	3,310.50	=	Tax
200,001	to	300,000	×	35.0%	minus	24	1,310.50	=	Tax
300,001	and	d over	×	37.0%	minus	30	0,310.50	=	Tax
HOH Taxal	le In	come							
\$ 0	to	13,600	×	10.0%	minus	\$	0.00	=	Tax
13,601	to	51,800	×	12.0%	minus		272.00	=	Tax
51,801	to	82,500	×	22.0%	minus	į	5,452.00	=	Tax
82,501	to	157,500	×	24.0%	minus	-	7,102.00	=	Tax
157,501	to	200,000	×	32.0%	minus	19	9,702.00	=	Tax
200,001	to	500,000	×	35.0%	minus	25	5,702.00	=	Tax
500,001	and	d over	×	37.0%	minus	3!	5.702.00	=	Tax

#### **Additional Medicare Tax**

0.9% additional tax on wage income above threshold

Filing status	Single, HOH, QW	MFJ	MFS		
Threshold amount	\$200,000	\$250,000	\$125,000		

#### **2018 Personal Exemptions**

The personal exemption deduction per person is ......\$0

#### **2018 Standard Deduction**

The basic standard deduction for 2018 is	s:
Single or MFS	\$12,000
MFJ or QW	\$24,000
HOH	\$18.000

**Age 65 and/or blind.** The additional amounts for age 65 or older and/or blind, per person, per event in 2018 are:

MFJ, QW, or MFS	\$1,300
Single or HOH	\$1,600

**Dependent.** The standard deduction in 2018 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,050, or earned income plus \$350.

**Note:** The standard deduction for a dependent and the additional standard deductions for the aged and blind may change slightly when the IRS revises its 2018 inflation-adjusted amounts to follow the chained-CPI inflation rates.

#### **Child Tax Credit and Family Tax Credit**

	Child Tax Credit	\$2,000 per qualifying child.
	Maximum refundable portion of Child Tax Credit	\$1,400 per qualifying child.
Child Tax Credit phaseout		MFJ\$400,000
	begins	Single, HOH, MFS\$200,000
	Family Tax Credit	\$500 per dependent (not a qualifying child).

#### **Social Security Highlights**

Employee's portion of FICA	2018	2017	2016	
Maximum earnings subject to Social Security tax (Medicare no limit)	\$128,400	\$127,200	\$118,500	
Social Security tax rate	6.20%	6.20%	6.20%	
Medicare tax rate*	1.45%	1.45%	1.45%	
Maximum Social Security tax	\$7,960.80	\$7,886.40	\$7,347.00	

<sup>\*</sup>Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.



# Tax Facts and Figures

#### **Business Expenses**

2018 Standard Mileage Rate	e Per Mile	2018 Standard Deduction for Meals—
Business	54.5¢	High Low Method (Per Day)
Medical and moving*	18.0¢	High cost localities\$68
Charitable	14.0¢	All other localities\$57
Depreciation	25.0¢	Transportation workers\$63
Section 179 Expense Limits	;	Qualified Transportation Benefits
Regular 179 limits	\$1,000,000	1 -
SUV limits	\$25,000	
Investment phaseout		Commuter benefits (per month)\$260
begins	\$2,500,000	Parking benefits (per month)\$260
Depreciation	25.0¢ \$ \$1,000,000 \$25,000	Transportation workers\$63  Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction) Commuter benefits (per month)\$260

<sup>\*</sup>The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

#### 2018 Retirement Plan Limits

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	401(k)/403(b) Deferral Limits	Roth IRA Phaseout Range
	Under age 50\$18,500	MFJ\$189,000-\$199,000
	Age 50 and over\$24,500	Single, HOH \$120,000 - \$135,000
	IRA Contribution Limits	MFS\$0-\$10,000
	Under age 50\$5,500	SIMPLE Deferral Limits
	Age 50 and over \$6,500	Under age 50\$12,500
	IRA Deduction Phaseout Range if	Age 50 and over\$15,500
	Covered by Employer Plan	Qualified Retirement Plans
	MFJ\$101,000-\$121,000	Profit sharing/SEP
	Single, HOH\$63,000-\$73,000	limits
	MFS\$0-\$10,000	Defined benefit plan limits \$220,000
	Spouse not	Compensation limits \$275,000
	covered \$189,000 – \$199,000	

#### **Education Tax Benefits**

American Opportunity Credit	Education Savings Account (ESA)
MFJ phaseout \$160,000-\$180,000	MFJ phaseout\$190,000-\$220,000
Single, HOH	All others \$95,000-\$110,000
phaseout\$80,000-\$90,000	Annual contribution limit: \$2,000 per beneficiary
Maximum credit: \$2,500 per student	Student Loan Interest Deduction
Up to 40% (\$1,000) may be refundable	MFJ phaseout\$135,000-\$165,000*
Lifetime Learning Credit	Single, HOH phaseout \$65,000–\$80,000*
MFJ phaseout\$114,000-\$134,000*	Maximum deduction: \$2,500 per return
Single, HOH	U.S. Savings Bonds Interest Exclusion
phaseout\$57,000-\$67,000*	MFJ phaseout\$119,550-\$149,550*
Maximum credit: \$2,000 per return	Single, HOH phaseout \$79,700-\$94,700*

#### Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students are not taxable.
- Distributions up to \$10,000 per student are now allowed for tuition expenses for a public, private, or religious elementary or secondary school.
- \* Note: Phaseout ranges may change slightly when the IRS revises its 2018 inflationadjusted amounts to follow the chained-CPI inflation rates.

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Taxpayers should seek professional tax advice for more information.

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2018 Tax Rates: Capital Gain and	l Dividend	Income
If income is	Maximum tax rate %	If asset is held
Gain from the sale of collectibles	28%	More than 1 year
Taxable portion of gain on qualified small business stock (section 1202 exclusion)	28%	More than 5 years
Unrecaptured section 1250 gain	25%	More than 1 year
Long-term capital gain	See below	More than 1 year
Qualified dividend income	See below	More than 60 days
Taxable Income         Single       \$0 to \$38,600         MFJ/QW       \$0 to 77,200         MFS       \$0 to \$38,600         HOH       \$0 to \$51,700         Estates and trusts       \$0 to \$2,600         Taxable Income         Single       \$38,601 to \$425,800         MFJ/QW       \$77,201 to \$479,000         MFS       \$38,601 to \$239,500         HOH       \$51,701 to \$452,400         Estates and trusts       \$2,601 to \$12,700	15%	
Taxable Income Single \$425,801 and over MFJ/QW \$479,001 and over MFS \$239,501 and over HOH \$452,401 and over Estates and trusts \$12,701 and over	20%	
Short-term capital gain	37%	1 year or less
Ordinary dividend income	37%	60 days or less

#### **Net Investment Income Tax (NIIT)**

#### 3.8% additional tax on investment income if MAGI above threshold amount

Filing status	Single, HOH	MFJ, QW	MFS	
Threshold amount	\$200,000	\$250,000	\$125,000	

#### **Contact Us**

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 70½.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.