

Social Security Benefits 4

MAXIMUM ANNUAL EARNED INCOME LIMIT

	2017	2018
Between age 62 and full retirement age	\$16,920	\$17,040
Full retirement age (66 if born in 1943 - 1954)	No limit	No limit

TAXABLE BENEFITS

Social Security received is taxable when modified AGI without Social Security, plus half of Social Security received exceeds these base amounts:

	2017 (50%)	2018 (85%)
Married, filing jointly	\$32,001 - \$44,000	\$44,001+
Single/head of household	\$25,001 - \$34,000	\$34,001+
Married, filing separately	\$0	\$0

Standard Medicare premium is \$134*/mo. for 2017 and 2018 (exceptions apply)

* Increases for beneficiaries with higher income levels or less if protected under the Hold Harmless Rule

Depreciation

	2017	2018
Section 179 Deduction (other than real property)	\$ 510,000	\$1,000,000
Section 179 Qualifying (real property)	\$ 510,000	\$1,000,000
Phase-out threshold	\$2,030,000	\$2,500,000

BONUS DEPRECIATION

	Pre 9/28/17	Post 9/27/17
Must be new pre-9/28/2017;	50%	100%
both new and used property qualify post-9/27/2017		

36-MONTH ASSETS (Straight-line): Most software

3-YEAR ASSETS (200% DB): Dies, molds, small tools, certain horses

5-YEAR ASSETS (200% DB): Autos, trucks, computers, copiers, private aircraft, medical, construction, oil & gas drilling, and some manufacturing equipment

7-YEAR ASSETS (200% DB): Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment, etc.

27.5-YEAR ASSETS (Straight-line): Rental houses, apartments, low-income housing, etc.

39-YEAR ASSETS (Straight-line): Nonresidential buildings

ANNUAL RECOVERY

Percent of original depreciation basis under 200% DB Method
(Not applicable for mid-quarter convention or short tax years)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
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

LUXURY AUTOMOBILES

Maximum regular depreciation deduction for cars purchased:

	2013*	2014*	2015*	2016*	2017*	2018*
1 st year	\$3,160	\$3,160	\$3,160	\$3,160	\$3,160	\$10,000
2 nd year	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$16,000
3 rd year	\$3,050	\$3,050	\$3,050	\$3,050	\$3,050	\$ 9,600
Succeeding years, up to	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$ 5,760

- Trucks and vans have different limits

* 2013-2018 can take additional \$8,000 bonus depreciation in first year for qualifying auto

Corporate Income Tax Rates 5

REGULAR TAX - FEDERAL

2017

Base taxable income	Tax on base	% on excess over base
\$ 0	\$ 0	15%
\$ 50,000	\$ 7,500	25%
\$ 75,000	\$ 13,750	34%
\$ 100,000	\$ 22,250	39%*
\$ 335,000	\$ 113,900	34%
\$ 10,000,000	\$ 3,400,000	35%
\$ 15,000,000	\$ 5,150,000	38%**
> \$18,333,333	\$ —	35%

* Reflects 5% surtax, which phases out benefits of 15% and 25% rates

** 34% rate phased out

2018 - Flat 21% rate

CAPITAL GAINS: Same as regular tax rate

PERSONAL SERVICE CORPORATIONS: 2017: 35% flat tax; 2018: 21% flat tax

ALTERNATIVE MINIMUM TAX (AMT): 20%; Exemption amount \$40,000*

* Phased out for AMT income above \$150,000

** Corporate AMT is repealed for tax years starting after Dec. 31, 2017

PERSONAL HOLDING COMPANIES: 20%

Employment Tax Rates

SOCIAL SECURITY TAXES

Employee/Employee	Tax Rate	2017 Wage Base	2018 Wage Base
FICA	6.20%	\$127,200	\$128,400
Medicare**	1.45%	No limit	No limit
Self Employed*	Tax Rate	2017 Wage Base	2018 Wage Base
FICA	12.4%	\$127,200	\$128,400
Medicare***	2.9%	No limit	No limit

* Self-employed individuals receive a deduction of one-half the self-employed tax computed to arrive at adjusted gross income

** 2.35% Medicare tax (regular 1.45% Medicare tax + 0.9% additional Medicare tax) on all wages in excess of \$200,000

*** 3.8% Medicare tax (regular 2.9% + 0.9% additional Medicare tax) on net self-employment earnings in excess of \$200,000

Estate and Gift Tax Rates

ESTATE TAX EXCLUSION

		Tax Base*	Tax Rate
2017	OVER	\$ 5,490,000	40%
2018	OVER	\$11,180,000	40%

* Equals the FMV of all property that you have an interest in at death, plus taxable gifts reduced by estate expenses, debts, and unlimited marital and charitable deductions

- Ohio Estate Tax repealed effective Jan. 1, 2013

ANNUAL GIFT TAX EXCLUSION

	2017	2018
Gifts per person	\$14,000	\$15,000
Joint gifts with spouse	\$28,000	\$30,000

- Lifetime Gift Tax exclusion - capped at \$5,490,000 for 2017 and \$11,180,000 for 2018

Additional Affordable Care Act Taxes

NET INVESTMENT INCOME AND MEDICARE TAXES

Applicable thresholds		
Single		\$200,000
Married, filing jointly		\$250,000
Married, filing separately		\$125,000

- 3.8% surtax applied on lesser of modified adjusted income in excess of the above thresholds or net investment income

- .9% Medicare tax withheld by employer if W-2 is > \$200,000 or paid by employee via estimates on the wages over thresholds listed above (same as 3.8% surtax above)



2017-2018

pocket tax guide



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The tax reform act will impact your 2018 tax return.
Please contact your advisor for additional information.

Individual Income Tax Rates 1

REGULAR TAX - FEDERAL

Base Taxable Income	Tax on Base	% on Excess over Base
0 (2017)	0 (2017)	10%
9,325	933	15%
37,950	5,226	25%
91,900	18,714	28%
191,650	46,644	33%
416,700	120,910	35%
418,400	121,505	39.6%
0 (2018)	0 (2018)	10%
9,525	953	12%
38,700	4,454	22%
82,500	14,090	24%
157,500	32,090	32%
200,000	45,690	35%
500,000	150,690	37%
0 (2017)	0 (2017)	10%
18,650	1,865	15%
75,900	10,453	25%
153,100	29,753	28%
233,350	52,223	33%
416,700	112,728	35%
470,700	131,628	39.6%
0 (2018)	0 (2018)	10%
19,050	1,905	12%
77,400	8,907	22%
165,000	28,179	24%
315,000	64,179	32%
400,000	91,379	35%
600,000	161,379	37%
0 (2017)	0 (2017)	10%
9,325	933	15%
37,950	5,226	25%
76,550	14,876	28%
116,675	26,111	33%
208,350	56,364	35%
235,350	65,814	39.6%
0 (2018)	0 (2018)	10%
9,525	953	12%
38,700	4,454	22%
82,500	14,090	24%
157,500	32,090	32%
200,000	45,690	35%
300,000	80,690	37%
0 (2017)	0 (2017)	10%
13,350	1,335	15%
50,800	6,953	25%
131,200	27,053	28%
212,500	49,817	33%
416,700	117,203	35%
444,550	126,950	39.6%
0 (2018)	0 (2018)	10%
13,600	1,360	12%
51,800	5,944	22%
82,500	12,698	24%
157,500	30,698	32%
200,000	44,298	35%
500,000	149,298	37%
0 (2017)	0 (2017)	15%
2,550	383	25%
6,000	1,245	28%
9,150	2,127	33%
12,500	3,233	39.6%
0 (2018)	0 (2018)	10%
2,550	255	24%
9,150	1,839	35%
12,500	3,012	37%

State of Ohio Income Tax Table

2017 PERSONAL EXEMPTION (\$1,800: Ohio AGI > \$80,000; \$2,050: Ohio AGI between \$40,001 and \$80,000; \$2,300: Ohio AGI \$40,000 or less)

\$ 0 - \$ 10,650	—	0.000% of Ohio taxable income
\$ 10,651 - \$ 16,000	\$ 79.08	plus 1.980% of excess over \$ 10,650
\$ 16,001 - \$ 21,350	\$ 185.01	plus 2.476% of excess over \$ 16,000
\$ 21,351 - \$ 42,650	\$ 317.48	plus 2.969% of excess over \$ 21,350
\$ 42,651 - \$ 85,300	\$ 949.88	plus 3.465% of excess over \$ 42,650
\$ 85,301 - \$ 106,650	\$ 2,427.70	plus 3.960% of excess over \$ 85,300
\$ 106,651 - \$ 213,350	\$ 3,237.16	plus 4.597% of excess over \$ 106,650
More than \$ 213,350	\$ 8,178.16	plus 4.997% of excess over \$ 213,350

Individuals 2

STANDARD DEDUCTION *

	2017	2018
Single (S)	\$ 6,350	\$ 12,000
Married filing jointly (MFJ)	\$ 12,700	\$ 24,000
Married filing separately (MFS)	\$ 6,350	\$ 12,000
Head of household (HOH)	\$ 9,350	\$ 18,000
Unmarried taxpayers (dependent)	\$ 1,050	\$ TBD ¹

Additional - Blind or Elderly

Single and head of household	\$ 1,550	\$ 1,600
Married	\$ 1,250	\$ 1,300

AGI - Itemized deduction threshold is subject to phase out **

* You are allowed to deduct the greater of your standard deduction or your itemized deductions

** Phase-out thresholds for itemized deductions in 2017: \$261,500 single; \$287,650 HOH; \$313,800 MFJ, and \$156,900 MFS. No phase out for 2018

1 Kiddie Tax: Earned income is taxed using the single rates and unearned income is taxed using the trust and estate tax rates

PERSONAL EXEMPTIONS*

	2017	2018
Deductions for each taxpayer, spouse, dependent	\$ 4,050	NA**

* 2017 phase-out thresholds: \$261,500 S; \$287,650 HOH; \$313,800 MFJ; \$156,900 MFS

** Personal exemptions are suspended for 2018-2025

ALTERNATIVE MINIMUM TAX (AMT)**

Tax rate	2017	2018*
26% up to	\$187,800	\$1,000,000
28% over	\$187,800	\$1,000,000

* \$500,000 for taxpayers other than MFJ

** Other than estates and trusts

AMT EXEMPTION AMOUNT (Phased out for upper bracket taxpayers)

	2017	2018
Single	\$ 54,300	\$ 70,300
Head of household	\$ 54,300	\$ 70,300
Married filing jointly	\$ 84,500	\$ 109,400
Married filing separately	\$ 42,250	\$ 54,700

CAPITAL GAINS

Holding Period	2017	2018
12 months or less	39.6%	37%
More than 12 months*	20%	20%
Sale of real property to extent of depreciation taken	25%	25%
Collectibles and certain small business stock	28%	28%

* 2017: 0% for qualifying taxpayers in the 15% or less brackets; 15% applies to the 25-35% brackets

* 2018: 0% except 15% for qualifying taxpayers with taxable income more than \$77,200 MFJ; \$51,700 HOH; \$38,600 single; and \$2,600 for estates and trusts. The 20% applies to taxpayers with taxable income over \$479,000 MFJ; \$452,400 HOH; \$425,800 single; and \$12,700 for estates and trusts

2018 ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties, you are required to pay in through withholding or estimated tax payments the lesser of:

- 100% of prior year tax liability (110% if AGI > \$150,000) or
- 90% of current year tax liability

2018 estimated tax payments for individuals are due by:

April 17 June 15 September 17 January 15, 2019

Standard Mileage Rates

USE

	2017	2018
Business	\$ 0.535	\$ 0.545
Charitable	\$ 0.140	\$ 0.140
Medical	\$ 0.170	\$ 0.180
Moving	\$ 0.170	\$ 0.180

- Rates are per mile

- Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Retirement Plan Contribution Limits 3

INDIVIDUAL LIMITATIONS

	2017	2018
401(k) annual contributions	\$ 18,000	\$ 18,500
Additional amounts for taxpayers 50+	\$ 6,000	\$ 6,000
SIMPLE Plans annual contributions	\$ 12,500	\$ 12,500
additional amounts for taxpayers 50+	\$ 3,000	\$ 3,000

Profit Sharing Plans*

Corporate and SEP (employee)	25% up to	\$ 54,000	\$ 55,000
Keogh and SEP (SE person) **	20% up to	\$ 54,000	\$ 55,000

Money Purchase Pension Plans*

Corporate	25% up to	\$ 54,000	\$ 55,000
Keogh	20% up to	\$ 54,000	\$ 55,000

Maximum Compensation Limit \$ 270,000 \$ 275,000

* Percentage is applied to compensation

** Of net self-employed income after self-employment tax deduction

IRAs 4

REGULAR

FOR THOSE WHO DO NOT PARTICIPATE IN ANOTHER PLAN

For 2017 & 2018: \$5,500 max. deduction, plus additional \$1,000 for taxpayers 50+ (Plus up to same amount for non-working spouse)

FOR ACTIVE PARTICIPANTS IN ANOTHER PLAN*

2017	Married AGI	Single AGI	Deduction is:
	\$0-\$99,000	\$0-\$62,000	\$5,500 (+\$1,000 for 50+)
	\$99,001-\$118,999	\$61,001-\$71,999	Partial deduction
	≥\$119,000	≥\$72,000	No deduction
2018	Married AGI	Single AGI	Deduction is:
	\$0-\$101,000	\$0-\$63,000	\$5,500 (+\$1,000 for 50+)
	\$101,001-\$120,999	\$63,001-\$72,999	Partial deduction
	≥\$121,000	≥\$73,000	No deduction

* Maximum contribution for spouse who is not an active participant is phased out if couple's combined AGI for 2017 (2018) is between \$186,000 (\$189,000) and \$196,000 (\$199,000)

- Contributions must be made before the filing date of the tax return, excluding extensions

ROTH IRA - Qualified distributions are tax-free. 2017 & 2018: Non-deductible contributions: \$5,500 plus additional \$1,000 for 50+

AGI Phase-outs:	2017	2018
Joint	\$186,000 - \$196,000	\$189,000 - 199,000
Single	\$118,000 - \$133,000	\$120,000 - 135,000

Education Credits

American Opportunity Credit - 2017 & 2018 - up to \$2,500 credit per eligible student

Lifetime Learning Credit - up to \$2,000 credit per return

Special rules apply. There are income phase-outs.

Child and Family Tax Credits

Child and Family Tax Credit*

	2017	2018
Children (under age 17)	\$1,000	\$2,000
Refundable portion**	Up to \$1,000	Up to \$1,400
Other non-child dependents	\$0	\$500

* Per child/dep. Phase-out thresholds for the Child Tax Credit in 2017 (2018): \$75,000 (\$200,000) S and HOH; \$55,000 (\$200,000) MFS; and \$110,000 (\$400,000) MFJ

** Refundable portion applies to dependent children and is calculated based on earned income in excess of \$3,000 and \$2,500 for 2017 and 2018, respectively

Health Savings Accounts (HSAs)

	2017		2018	
	Single	Family	Single	Family
Min. annual deductible	\$1,300	\$ 2,600	\$1,350	\$ 2,700
Max. annual contribution*	\$3,400	\$ 6,750	\$3,450	\$ 6,900
Max. out-of-pocket expense	\$6,550	\$13,100	\$ 6,650	\$13,300

* Additional \$1,000 contribution allowed for taxpayers 55+