

2018 TAX REFERENCE GUIDE

TAX BRACKETS FOR 2018

MARRIED, FILING JOINTLY

\$0 - \$19,050	10%
\$19,051 - \$77,400	12%
\$77,401 - \$165,000	22%
\$165,001 - \$315,000	24%
\$315,001 - \$400,000	32%
\$400,001 - \$600,000	35%
Over \$600,000	37%

SINGLE

\$0 - \$9,525	10%
\$9,526 - \$38,700	12%
\$38,701 - \$82,500	22%
\$82,501 - \$157,500	24%
\$157,501 - \$200,000	32%
\$200,001 - \$500,000	35%
Over \$500,000	37%

TRUST

Over \$12,500	37%
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LONG TERM CAPITAL GAINS/QUALIFIED DIVIDEND RATES FOR 2018

MARRIED FILING JOINTLY

\$0 - \$77,200	\$77,201 - \$250,000	\$250,001 - \$479,000	Over \$479,000
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SINGLE TAXPAYER (2018)

\$0 - \$38,600	\$38,601 - \$200,000	\$200,001 - \$425,800	Over \$425,800
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LONG-TERM CAPITAL GAINS RATE

0%	15%	15%	20%
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NET INVESTMENT INCOME TAX

0%	0%	3.8%	3.8%
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COMBINED LONG-TERM CAPITAL GAINS TAX RATE

0%	15%	18.8%	23.8%
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RETIREMENT

IRA AND ROTH IRA CONTRIBUTION LIMITS

	2017	2018
Under Age 50	\$5,500	\$5,500
Age 50 and Over	\$6,500	\$6,500

Eligibility for Roth: Modified AGI is less than \$120,000 (single) or \$189,000 (married) in 2018. For 2017, \$118,000 and \$186,000.

401(K) AND 403(B) CONTRIBUTION LIMITS

Under Age 50	\$18,000	\$18,500
Age 50 and Over	\$24,000	\$24,500

SIMPLE IRA ELECTIVE DEFERRAL

Under Age 50	\$12,500	\$12,500
Age 50 and Over	\$15,500	\$15,500

SEP CONTRIBUTION LIMITS

	\$54,000	\$55,000
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Up to 25% of compensation. Minimum compensation \$600.

LIMIT ON ANNUAL ADDITIONS TO DEFINED CONTRIBUTION PLANS

Under Age 50	\$54,000	\$55,000
Age 50 and Over	\$60,000	\$61,000

ANNUAL BENEFIT LIMIT UNDER DEFINED BENEFIT PLAN

	\$215,000	\$220,000
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LIMITATION USED IN DEFINING HIGHLY COMPENSATED EMPLOYEES

	\$120,000	\$120,000
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MAXIMUM EARNINGS BEFORE SOCIAL SECURITY REDUCED

Under Full Retirement Age (\$1 withheld for every \$2 earned)	\$16,920	\$17,040
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HEALTH SAVINGS ACCOUNTS CONTRIBUTION LIMITS

Single	\$3,400	\$3,450
Family	\$6,750	\$6,900
Age 55 and Over (Catch-up)	\$1,000	\$1,000

Must be covered by high deductible plan. Minimum annual deductibles of \$1,350 (single) or \$2,700 (family).

DEDUCTIONS, EXEMPTIONS AND EXCLUSIONS

	2017	2018
Federal Estate Tax Exemption	\$5,490,000	\$11,200,000
Illinois - State Estate Tax Exemption	\$4,000,000	\$4,000,000
Personal Exemptions	\$4,050	\$0*
Federal Estate Tax (Highest Rate)	40%	40%
Annual Exclusion for Gifts	\$14,000	\$15,000
Social Security Wage Limit	\$127,200	\$128,400
Kiddie Tax (Taxed at Parent's Rate if Over)	\$2,100	\$2,100

STANDARD DEDUCTION

Married, Filing Joint	\$12,700	\$24,000
Single	\$6,350	\$12,000

AMT EXEMPTION

Married, Filing Joint	\$84,500	\$109,400
Single	\$54,300	\$70,300

Exemption phase-out begins at \$1,000,000 (married) or \$500,000 (single).

CHARITABLE DONATIONS

Cash donations	Up to 50% of AGI	Up to 60% of AGI
Qualified Charitable Distributions (QCD)	Up to \$100,000	Up to \$100,000

QCD's are distributions from qualified retirement accounts directly to a charity by taxpayers over 70.5. These distributions DO satisfy RMD's

STATE TAX DEDUCTION

State and local income, sales, real estate, and property taxes in aggregate.	No limit	\$10,000*
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MORTGAGE INTEREST DEDUCTION ON PERSONAL RESIDENCES (UP TO 2*)

Mortgage debt acquired after 12/15/2017	Up to \$750,000 of principal
Mortgage debt acquired before 12/15/2017	Up to \$1,000,000 of principal
Home equity (HELOC) debt	\$0

MEDICAL EXPENSES DEDUCTION

Medical expenses in excess of 7.5% of AGI are eligible as an itemized deduction for 2017-2018.

SUSPENDED ITEMIZED DEDUCTIONS*

- Tax preparation fees
- Investment expenses
- Unreimbursed business expenses
- Professional and union dues

*Applies to tax years 2018-2025.

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