

2023 Federal Tax Reference Guide

INVESTMENT-RELATED TAX GUIDELINES

RETIREMENT PLAN CONTRIBUTION GUIDELINES

INCOME TAXATION

ESTATE TAXATION



The following tables list tax facts for the 2023 tax year. The tables are divided into four categories that affect the taxes paid by an individual: Investment Related, Income, Retirement Plan Contributions and Estate.

Investment Related

CAPITAL GAINS AND QUALIFIED DIVIDENDS	LONG TERM CAPITAL GAINS	DIVIDEND INCOME
Rate for individual income > \$492,300 or married income > \$553,850	20%	20%
Rate for individual income < \$492,300 or married income < \$553,850	15%	15%
Rate for individual income < \$44,625 or married income < \$89,250	0%	0%

	MAXIMUM LONG TERM CAPITAL GAIN RATE
Collectibles Gain	28%
Gain on qualified small business stock equal to the section 1202 exclusion*	28%
Un-recaptured section 1250 gain	25%
Other gain if the regular tax rate that would apply is 25% or higher	15%
Other gain if the regular tax rate that would apply is lower than 25%	0%

Income

ORDINARY INCOME TAX BRACKETS AND AMOUNTS

TAX RATE	MARRIED, FILING JOINTLY AND SURVIVING SPOUSE	HEAD OF HOUSEHOLD	SINGLE	MARRIED, FILING SEPARATELY
10%	> \$0	> \$0	> \$0	> \$0
12%	> \$22,000	> \$15,700	> \$11,000	> \$11,000
22%	> \$89,450	> \$59,850	> \$44,725	> \$44,725
24%	> \$190,750	> \$95,350	> \$95,375	> \$95,375
32%	> \$364,200	> \$182,100	> \$182,100	> \$182,100
35%	> \$462,500	> \$231,250	> \$231,250	> \$231,250
37%	> \$693,750	> \$578,100	> \$578,125	> \$346,875

Source: www.taxfoundation.org

AMOUNT SUBJECT TO SOCIAL SECURITY TAX (FICA)

Income up to	\$160,200
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Source: www.ssa.gov

HEALTH CARE ACT SURTAX (3.8%)

FILING STATUS	MAGI/OVER
Married, Filing Jointly and Surviving Spouse	\$250,000
Married, Filing Separately	\$125,000
Single, Head of Household	\$200,000
Estate or Trust	\$12,750

Sources: IRS Q&A on the Net Investment Tax; Revenue Procedure 2018-57

TAX ON SOCIAL SECURITY BENEFITS

COMBINED INCOME (JOINT)*	COMBINED INCOME (SINGLE)*	AMOUNT OF SOCIAL SECURITY SUBJECT TO TAX
\$32,000 - \$44,000	\$25,000 - \$34,000	50%
Over \$44,000	Over \$34,000	85%

Source: www.ssa.gov; Tax on Social Security Benefits.

Combined income is the sum of adjusted gross income, plus nontaxable interest, plus one-half of Social Security benefits.

ALTERNATIVE MINIMUM TAX EXEMPTION

FILING STATUS	AMT EXEMPTION	PHASEOUT
Married, Filing Jointly	\$126,500	\$1,156,300
Married, Filing Separately	\$63,250	\$578,150
Single	\$81,300	\$578,150
Head of Household	\$81,300	\$578,150

*Under Section 1202, portions of gain may be excluded, thereby reducing the effective tax rate.

Deduction Limits for Charitable Gifts

PERCENTAGE LIMITATIONS (% OF ADJUSTED GROSS INCOME)	PUBLIC	PRIVATE
Cash	60%	30%
Ordinary Income Property	60%	30%
Capital Gain Property	30%	20%

Source: Internal Revenue Service, www.irs.gov; Charitable Contribution Deduction (Publication 78 Help, Part II)

ITEMIZED DEDUCTION LIMITS

FILING STATUS	
Medical Expense	In excess of 10% of AGI
Mortgage Interest*:	
Single/Married Joint/Head of Household	\$750,000
Married, Filing Separately	\$375,000
State and Local Taxes	\$10,000**

*Related to purchase and improvement of real estate only

**Deduction limited to \$5,000 if filing status is Married Filing Separately

Retirement

TRADITIONAL IRAs

CONTRIBUTION LIMITS

Maximum contribution	\$6,500
Catch-up Provision for Individuals 50 and up	\$1,000

MODIFIED AGI LIMITS FOR MAXIMUM IRA CONTRIBUTIONS (PHASE-OUT) FOR INDIVIDUALS COVERED BY RETIREMENT PLAN

FILING STATUS

Married, Filing Jointly	\$116,000 - \$136,000
Married, Filing Separately	\$0 - \$10,000
Married, Filing Jointly when only one spouse is covered by a qualified plan	\$218,000 - \$228,000
Single	\$73,000 - \$83,000
Head of Household	\$73,000 - \$83,000

IRC Section 219

MODIFIED AGI LIMIT FOR CONVERSION FROM IRA TO ROTH IRA

AGI LIMITATIONS

2022	No Limit
2023	No Limit

Amount of IRA converted to Roth IRA is included in income. Recharacterization is no longer permitted.

Estate

ESTATE AND GIFT TAX

Estate/Gift Tax Exemption	\$12,920,000
Top Marginal Estate/Gift Tax Rate	40%
Annual Gift Tax Exclusion	\$17,000

GENERATION-SKIPPING TRANSFER (GST) TAX

GST Tax Rate	40%
GST Tax Exemption	\$12,920,000

STANDARD DEDUCTION AND PERSONAL EXEMPTION

FILING STATUS

Married, Filing Jointly	\$27,700
Surviving Spouse	\$27,700
Married, Filing Separately	\$13,850
Single	\$13,850
Head of Household	\$20,800
Additional deduction if age 65+, Married filing jointly	\$3,000
Additional deduction if age 65+, Single/Head of Household	\$1,850

ROTH IRAs

CONTRIBUTION LIMITS

Maximum contribution	\$6,500
Catch-up Provision for Individuals 50 and up	\$1,000

MODIFIED AGI LIMITS FOR MAXIMUM ROTH IRA CONTRIBUTIONS

FILING STATUS

Married, Filing Jointly	\$218,000 - \$228,000
Married, Filing Separately	\$0 - \$10,000
Single	\$138,000 - \$153,000
Head of Household	\$138,000 - \$153,000

Source: IRS

OTHER QUALIFIED PLANS

CONTRIBUTION LIMITS

Limit on annual additions to defined contribution plans	\$66,000
Maximum elective deferral to retirement plans, i.e. 401(k) plans, 403(b) plans, and 457(b) plans	\$22,500
Catch-up contribution limit (for Individuals 50 and over)	\$7,500
Maximum annual compensation taken into account for contributions	\$330,000
Maximum elective deferral to SIMPLE IRA plans	\$15,500
Catch-up contribution limit for SIMPLE plans (for Individuals 50 and over)	\$3,500
Annual benefit limit under defined benefit plans	\$265,000

Source: IRS

INCOME TAX RATES FOR ESTATES AND NONGRANTOR TRUSTS

TAX RATE

10%	< \$2,900
24%	< \$10,550
35%	< \$14,450
37%	> \$14,450

For additional information on our services, please contact:

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