

Lionel's Tax & Bookkeeping Service

<http://www.lionelstaxbkpg.com>

2023 & 2024 Federal Income Tax Brackets & Rates

Tax Bracket / Filing Status	Single & Married Filing Separately		Married Filing Jointly or Qualifying Widow		Head of Household	
	2023	2024	2023	2024	2023	2024
10%	\$0 to \$11,000.	\$0 to \$11,600.	\$0 to \$22,000.	\$0 to \$23,200.	\$0 – \$15,700	\$0 to \$16,550
12%	\$11,001 to \$44,725.	\$11,601 to \$47,150.	\$22,001 to \$89,450.	\$23,201 to \$94,300.	\$15,700 – \$59,850	\$16,550 to \$63,100
22%	\$44,726 to \$95,375.	\$47,151 to \$100,525.	\$89,451 to \$190,750.	\$94,301 to \$201,050.	\$59,850 – \$95,350	\$63,100 to \$100,500
24%	\$95,376 to \$182,100.	\$100,526 to \$191,950.	\$190,751 to \$364,200.	\$201,051 to \$383,900.	\$95,350 – \$182,100	\$100,500 to \$191,950
32%	\$182,101 to \$231,250.	\$191,951 to \$243,725.	\$364,201 to \$462,500.	\$383,901 to \$487,450.	\$182,100 – \$231,250	\$191,950 to \$243,700
35%	\$231,250 – \$578,125 (Single) \$231,250 – \$346,875 (MFS)	\$243,725 – \$609,350 (Single) \$243,725 – \$365,600 (MFS)	\$462,501 to \$693,750.	\$487,451 to \$731,200.	\$231,250 – \$578,100	\$243,700 to \$609,350
37%	\$578,126 or more (Single) \$346,876 or more (MFS)	\$609,351 or more (Single) \$365,601 or more (MFS)	\$693,751 or more.	\$731,200 or more.	\$578,101 or more	\$609,350 or more

2023 & 2024 Standard Deduction

Filing status	2023	2024
Single or Married, filing separately	\$13,850.00	\$14,600.00
Married, filing jointly	\$27,700.00	\$29,200.00
Head of household	\$20,800.00	\$21,900.00

- Note: The personal exemption was eliminated in 2018.

The New 2022 Federal Income Tax Brackets and Rates for Capital Gains

Long Term Capital gains tax rate	Single (taxable income)		Married filing separately (taxable income)		Head of household (taxable income)		Married filing jointly (taxable income)	
	2023	2024	2023	2024	2023	2024	2023	2024
0%	Up to \$44,625	Up to \$47,025	Up to \$44,625	Up to \$47,025	Up to \$59,750	Up to \$63,000	Up to \$89,250	Up to \$94,050
15%	\$44,626 to \$492,300	\$47,026 to \$518,900	\$44,626 to \$276,900	\$47,026 to \$291,850	\$59,751 to \$523,050	\$63,001 to \$551,350	\$89,251 to \$553,850	\$94,051 to \$583,750
20%	Over \$492,300	Over \$518,900	Over \$276,900	Over \$291,850	Over \$523,050	Over \$551,350	Over \$553,850	Over \$583,750

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Other Changes

Qualified Business Income Deduction. Beginning in the 2018 tax year, the tax law provides small business owners with a 20% deduction against business income. It's officially referred to as the [Section 199A deduction](#), and it applies to small businesses, other than "C" corporations.

There are income limits against which that deduction can be taken. The income thresholds for 2022 is as follows:

Filing Status	Threshold 2023	Threshold 2024
Unmarried Individuals	\$182,000	\$191,950
Married Filing Jointly	\$364,200	\$383,900

Alternative Minimum Tax (AMT). The AMT was created in the 1960s to impose taxes on taxpayers who claim an excessive amount of tax breaks. It provides a second set of tax rates that will be imposed if they exceed taxes as their taxable income is normally calculated.

The tax code provides an income exemption to the AMT, below which the tax will not apply. There is also an income phase-out beyond which the exemption no longer applies. Both are indexed for inflation. The figures for 2022 will be as follows:

From taxfoundation.org:

Filing Status	Exemption Amount		Exemption Phaseout	
	2023	2024	2023	2024
Single	\$81,300	\$85,700	\$578,150	\$609,350
Married filing jointly	\$126,500	\$133,300	\$1,156,300	\$1,218,700

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2023 Earned Income Tax Credit (EITC)

Find the maximum AGI, investment income and credit amounts for tax year 2023.

Children or Relatives Claimed	Filing as Single, Head of Household, or Widowed	Filing as Married Filing Jointly
Zero	\$17,640	\$24,210
One	\$46,560	\$53,120
Two	\$52,918	\$59,478
Three	\$56,838	\$63,398

Investment income limit: \$11,000 or less

Maximum Credit Amounts

The maximum amount of credit:

- No qualifying children: \$600
- 1 qualifying child: \$3,995
- 2 qualifying children: \$6,604
- 3 or more qualifying children: \$7,430

Note: From [irs.gov](https://www.irs.gov)

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Retirement Contributions.

Plan	Normal Limit		"Age 50" Catch-up Limit		"Pre-Retirement" Catch-up Limit	
	2023	2024	2023	2024	2023	2024
457	\$22,500	\$23,000	\$7,500	\$7,500	\$22,500	\$23,000
401(a)	\$66,000	\$69,000	N/A	N/A	N/A	N/A
401(k)	\$22,500	\$23,000	\$7,500	\$7,500	N/A	N/A
403(b)	\$22,500	\$23,000	\$7,500	\$7,500	\$15,000 lifetime cap	\$15,000 lifetime cap
IRA	\$6,500	\$7,000	\$1,000	\$1,000	N/A	N/A

Simplified Employee Pension (SEP IRA)

CONTRIBUTION LIMITS	2023	2024
SEP annual compensation limit	\$330,000	\$345,000
SEP minimum compensation	\$750	\$750
SEP maximum contribution	\$66,000	\$69,000

Roth IRA

ROTH IRA MAGI LIMITS	2023	2024
Married filing jointly	\$218,000- \$228,000	\$230,000- \$240,000
Single or Head of Household	\$138,000- \$153,000	\$146,000- \$161,000

Note: If your MAGI exceed the top range, you may not contribute to a Roth. Contribution limitations begin at the lower range.

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The lifetime gift and estate tax exemption.

- For Single filers is \$12.92M in 2023 and \$13.61M in 2024. For married couples \$25.8M in 2023 and 2024 \$24.12M.
- The annual gift exclusion for single filers in 2023 is \$17K, for 2024 \$18K. For married couples \$34K in 2023 and \$36k in 2024.

Other Major Changes in recent years

The elimination of the Affordable Care Act (ACA) penalty.

The final termination of the penalty took place for the 2019 tax year.

The medical expense deduction.

- Must exceed 7.5% of your adjusted gross income (AGI).

Alimony. (Reminder)

- Divorce decrees issued after December 31, 2018, alimony will neither be deductible by the payor, nor taxable to the recipient.
 - However, for divorce decrees issued before January 1, 2019, alimony will remain tax deductible to the payor and considered taxable income to the recipient.