2016

Tax Facts and Figures

Charles D Crockett, CPA PC
637 Whitetail Deer Ln
Crowley TX 76036
Phone: 817-295-0050
Fax: 817-887-1321
Email: charles.crockett@sbcglobal.net
Website: www.charlescrockettcpa.com

2016 Federal Tax Rate Schedules

Single Taxable Income

$	0	to	9,275	×	10.0%	minus	$	0.00	=	Tax
	9,276	to	37,650	×	15.0%	minus		463.75	=	Tax
	37,651	to	91,150	×	25.0%	minus		4,228.75	=	Tax
	91,151	to	190,150	×	28.0%	minus		6,963.25	=	Tax
	190,151	to	413,350	×	33.0%	minus		16,470.75	=	Tax
	413,351	to	415,050	×	35.0%	minus		24,737.75	=	Tax
	415,051	and over		×	39.6%	minus		43,830.05	=	Tax

MFJ or QW Taxable Income

$	0	to	18,550	×	10.0%	minus	$	0.00	=	Tax
	18,551	to	75,300	×	15.0%	minus		927.50	=	Tax
	75,301	to	151,900	×	25.0%	minus		8,457.50	=	Tax
	151,901	to	231,450	×	28.0%	minus		13,014.50	=	Tax
	231,451	to	413,350	×	33.0%	minus		24,587.00	=	Tax
	413,351	to	466,950	×	35.0%	minus		32,854.00	=	Tax
	466,951	and over		×	39.6%	minus		54,333.70	=	Tax

MFS Taxable Income

$	0	to	9,275	×	10.0%	minus	$	0.00	=	Tax
	9,276	to	37,650	×	15.0%	minus		463.75	=	Tax
	37,651	to	75,950	×	25.0%	minus		4,228.75	=	Tax
	75,951	to	115,725	×	28.0%	minus		6,507.25	=	Tax
	115,726	to	206,675	×	33.0%	minus		12,293.50	=	Tax
	206,676	to	233,475	×	35.0%	minus		16,427.00	=	Tax
	233,476	and over		×	39.6%	minus		27,166.85	=	Tax

HOH Taxable Income

$	0	to	13,250	×	10.0%	minus	$	0.00	=	Tax
	13,251	to	50,400	×	15.0%	minus		662.50	=	Tax
	50,401	to	130,150	×	25.0%	minus		5,702.50	=	Tax
	130,151	to	210,800	×	28.0%	minus		9,607.00	=	Tax
	210,801	to	413,350	×	33.0%	minus		20,147.00	=	Tax
	413,351	to	441,000	×	35.0%	minus		28,414.00	=	Tax
	441,001	and over		×	39.6%	minus		48,700.00	=	Tax

2016 Personal Exemptions

The personal exemption per person is $4,050

Personal exemptions phaseout with the following AGI amounts:

	AGI Beginning of Phaseout	*AGI Completed Phaseout*
MFJ and QW	$311,300	$433,800
HOH	$285,350	$407,850
Single	$259,400	$381,900
MFS	$155,650	$216,900

2016 Standard Deduction

The basic standard deduction for 2016 is:

Single or MFS	$6,300
MFJ or QW	$12,600
HOH	$9,300

Age 65 and/or blind. The additional amounts for age 65 or older and/or blind, per person, per event in 2016 are:

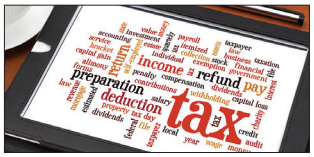
MFJ, QW, or MFS	$1,250
Single or HOH	$1,550

Dependent. The standard deduction in 2016 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.

2016 Itemized Deduction Phaseout

Itemized deductions begin to phase out when modified AGI reaches:

MFJ, QW	$311,300
HOH	$285,350
Single	$259,400
MFS	$155,650



Tax Facts and Figures

Social Security Highlights

Employee's portion of FICA	2016	2015	2014
Maximum earnings subject to Social Security tax (Medicare no limit)	$118,500	$118,500	$117,000
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	$7,347.00	$7,347.00	$7,254.00

* Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.

2016 Tax Rates: Capital Gain and Dividend Income

If income is…	Maximum %	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 for taxpayers subject to the top tax rate of 39.6%	20%	More than 1 year
Long-term capital gain for taxpayers subject to a regular tax rate of 25% or higher, up to the rate below the top rate	15%	More than 1 year
Long-term capital gain for taxpayers subject to a regular tax rate of 10% or 15%	0%	More than 1 year
Qualified dividend income for taxpayers subject to the top tax rate of 39.6%	20%	More than 1 year
Qualified dividend income for taxpayers subject to a regular tax rate of 25% or higher, up to the rate below the top rate	15%	More than 60 days
Qualified dividend income for taxpayers subject to a regular tax rate of 10% or 15%	0%	More than 60 days
Ordinary dividend income	39.6%	60 days or less
Short-term capital gain	39.6%	1 year or less

Note: Add 3.8% to the above rates for the net investment income tax for income above $250,000 MFJ, $125,000 MFS, and $200,000 all other filing statuses.

Other Taxes

0.9% Additional Medicare Tax on Wages Income Threshold Amounts

Filing Status	S, HOH, QW	MFJ	MFS
Threshold Amount	$200,000	$250,000	$125,000

3.8% Net Investment Income Tax Threshold Amounts (NIIT)

Filing Status	S, HOH	MFJ, QW	MFS
Threshold Amount	$200,000	$250,000	$125,000

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Business Expenses

2016 Standard Mileage Rate Per Mile

Business	54.0¢
Medical and moving	19.0¢
Charitable	14.0¢
Depreciation	24.0¢

Section 179 Expense Limits

Regular 179 limits	$500,000
SUV limits	$25,000
Investment phaseout begins	$2,010,000

2016 Standard Deduction for Meals—High Low Method (Per Day)

High cost localities	$68
All other localities	$57
Transportation workers	$63

Qualified Transportation Benefits

Commuter benefits (per month)	$255
Parking benefits (per month)	$255

2016 Retirement Plan Limits

401(k)/403(b) Deferral Limits

Under age 50	$18,000
Age 50 and over	$24,000

IRA Contribution Limits

Under age 50	$5,500
Age 50 and over	$6,500

IRA Deduction Phaseout Range for Active Participation in Employer Plan

MFJ	98,000–118,000
Single, HOH	61,000–71,000
MFS	0–10,000
Spouse not active participant	184,000–194,000

Roth IRA Phaseout Range

MFJ	184,000–194,000
Single, HOH	117,000–132,000
MFS	0–10,000

SIMPLE Deferral Limits

Under age 50	$12,500
Age 50 and over	$15,500

Qualified Retirement Plans

Profit sharing/SEP limits	25%/$53,000
Defined benefit plan limits	$210,000
Compensation limits	$265,000

Education Tax Benefits Phaseouts

American Opportunity Credit/ Hope Credit

MFJ phaseout range	160,000–180,000
Single and HOH phaseout	80,000–90,000
Hope credit 100% of the first	$2,000
A.O. credit 25% of the next	$2,000

Lifetime Learning Credit

MFJ phaseout range	111,000–131,000
Single and HOH phaseout	55,000–65,000
Lifetime learning credit 20% of first	$10,000

Student Loan Interest Deduction Phaseout Range

MFJ	130,000–160,000
Single and HOH	65,000–80,000
Maximum deduction is	$2,500

U.S. Savings Bonds Exemption Phaseout Range

MFJ	116,300–146,300
Single and HOH	77,550–92,550

Education Savings Accounts Phaseout Range

MFJ	190,000–220,000
All others	95,000–110,000

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.