

NEWS YOU CAN USE-2023 TAX FACTS

(FROM REV PROC 2022-38, DATED OCTOBER 18, 2022)

MILEAGE RATES FOR 2023

BUSINESS:	65.5 cents/mile
MEDICAL/MOVING:	22 cents/mile
CHARITABLE:	14 cents/mile

- Kiddie Tax standard deduction amount is \$1,250.00. However, parents can elect to report their child's income on their return if the child's unearned income is between \$1,250 and \$12,500.
- Income subject to Social Security tax for 2023 is capped \$160,200 (6.2% employee tax rate)
- Social Security checks went up 8.7% for 2023
- Maximum wage earnings between ages 62 and 66 is increased to \$21,240 before repayment of social security benefits starts.
- Base Medicare premiums for 2023: \$164.90 per month.

2023 BASIC STANDARD DEDUCTIONS

MFJ/SURVIVING SPOUSE:	\$27,700
HEAD OF HOUSEHOLD:	\$20,800
SINGLE/MFS:	\$13,850

ADDITIONAL DEDUCTION FOR BLIND/OVER AGE 65 TAXPAYERS: \$1,500.00(MFJ) OR \$1,850(SINGLE)
PERSONAL EXEMPTION AMOUNT FOR GROSS INCOME TEST: \$4,700.00

2023 AMT EXEMPTION AMOUNTS

MFJ/SURVIVING SPOUSE:	\$126,500
UNMARRIED INDIVIDUALS:	\$ 81,300
MARRIED FILING SEPARATE:	\$ 63,250
ESTATES/TRUST:	\$ 28,400
AMT TAX RATE:	26% on \$220,700(\$110,350 if MFS)
AMT TAX RATE:	28% on amounts exceeding above amounts

2023 LONG TERM CAPITAL GAINS TAX RATES

FILING STATUS	-0 % RATE	15% RATE	20% RATE
MARRIED/JOINT, SS	UP TO \$89,250	\$89,251 TO \$553,850	OVER \$553,850
SINGLE	UP TO \$44,625	\$44,626 TO \$492,300	OVER \$492,300
HEAD HOUSEHOLD	UP TO \$59,750	\$59,751 TO \$523,050	OVER \$523,050
MARRIED SEPARATE	UP TO \$44,625	\$44,626 TO \$276,900	OVER \$276,900
ESTATES/TRUST	UP TO \$3,000	\$3,001 TO \$14,650	OVER \$14,650

Keep in mind that the 3.8% Net Investment Income Tax is still relevant. The income thresholds start at \$250,000 for MJF and QW taxpayers. The single, and HOH threshold is \$200,000. MFS is \$125,000. This tax is subject a modified AGI calculation.

QUALIFIED BUSINESS INCOME DEDUCTION PHASE OUTS 2023

MARRIED FILING JOINT:	\$364,200
ALL OTHER FILERS:	\$182,100

SPECIAL NEEDS ADOPTION CREDIT: \$15,950.00. The credit begins to phase out when MAGI exceeds \$239,230. Credit is entirely phased out when MAGI reaches \$279,230.00.

FOREIGN EARNED INCOME EXCLUSION AMOUNT 2023: \$120,000
FEDERAL ESTATE TAX EXCLUSION 2023: \$12,920,000-AND IT IS STILL PORTABLE!
ANNUAL GIFT TAX EXCLUSION: 2023: \$17,000

2023 RETIREMENT PLAN CHANGES

- Effective January 1, 2023, the limitation on the annual benefit under a defined benefit plan under § 415(b)(1)(A) is increased to \$265,000
- Maximum 401(k), 403(b), Thrift Savings Plan, and 457(e) (15) contributions: \$22,500.00. Individuals age 50 or older can contribute up to a total of \$30,000.00.
- SIMPLE IRA maximum contributions are \$15,500. If a participant is age 50 or older, up to \$19,000 can be contributed.
- The maximum annual IRA contribution increases to \$6,500 plus \$1000 for anyone age 50 or older.
- Dollar ceilings on retirement plans increase to \$66,000 for defined contribution plans (Keogh plans, profit sharing plans, etc). Or a maximum of \$73,500 if over age 50.
- Retirement plan contributions can be based on up to \$330,000 of salary.

FEDERAL HEALTH CARE ISSUES:

Health Care Premium Credits are still available, but at higher income thresholds. The 2022 Federal Poverty Level starts at \$13,590 for single taxpayers. For a family of four the base income level starts at \$27,750 Alaska and Hawaii are higher.

ARCHER MSA AMOUNTS 2023

<u>2022 Minimum Deductible</u>	<u>Maximum Deductible</u>	<u>Max Out-of-Pocket</u>
Self Only \$2,650	\$3,950	\$5,300
Family \$5,300	\$7,900	\$9,650

Maximum employee salary reductions to health flexible spending arrangements (cafeteria plans) is \$3,050. Maximum carry-over of unused contribution is \$610.00

HEALTH SAVINGS ACCOUNT CONTRIBUTION AMOUNTS 2023

<u>2023 Minimum HDHP Deductible</u>	<u>Out-of-Pocket</u>
Self Only \$1,500.00	\$7,500.00
Family Plan \$3,000.00	\$15,000.00

2023 Maximum Annual Contribution Limits

Individual \$3,850 Family \$7,750

"Catch-up" amount for 55+ account holders is \$1,000 (unchanged)

Eligible Long-Term Care Premiums. For taxable years beginning in 2023, the limitations under § 213(d)(10), regarding eligible long-term care premiums includible in the term "medical care," are as follows:

Age 40 or less:	\$	480.00
Age 41 to age 50:	\$	890.00
Age 51 to age 60:	\$	1,790.00
Age 61 to age 70:	\$	4,770.00
Older than 70:	\$	5,960.00

QSEHRA-qualified small employer health reimbursement arrangements-signed into law on 12/14/16; via the CURES act. This allows certain small employers the ability to reimburse employees for health insurance premiums directly, without creating a taxable event for them. For 2023 the annual limitations are \$5,850 per single individual coverage and \$11,800 for family health premium reimbursement.

SECTION 179 ELECTION TO EXPENSE DEPRECIABLE ASSETS IS \$1,160,000 IN 2023. This number phases out as depreciable asset cost rises to \$2,890,000

2023 PERSONAL INCOME TAX TABLES

2023 MARRIED FILING JOINT TAX RATE TABLE-FEDERAL PER IRS REV PROC 2022-38				
	TAXABLE INCOME	TAX RATE IS	MAX TAX OF	TOTAL FEDERAL INCOME TAX
IF TAXABLE INCOME IS NOT OVER	\$ 22,000.00	10.00%	\$ 2,200.00	\$ 2,200.00
IF TAXABLE INCOME IS BETWEEN	\$ 22,001.00			
AND	\$ 89,450.00	12.00%	\$ 8,093.88	\$ 10,293.88
IF TAXABLE INCOME IS BETWEEN	\$ 89,451.00	22.00%		
AND	\$ 190,750.00		\$ 22,285.78	\$ 32,579.66
IF TAXABLE INCOME IS BETWEEN	\$ 190,751.00	24.00%		
AND	\$ 364,200.00		\$ 41,627.76	\$ 74,207.42
IF TAXABLE INCOME IS BETWEEN	\$ 364,201.00	32.00%		
AND	\$ 462,500.00		\$ 31,455.68	\$ 105,663.10
IF TAXABLE INCOME IS BETWEEN	\$ 462,501.00	35.00%		
AND	\$ 693,750.00		\$ 80,937.15	\$ 186,600.25
IF TAXABLE INCOME IS OVER	\$ 693,750.00	37.00%		TO INFINITY
HEAD OF HOUSEHOLD TAX RATE TABLE-FEDERAL				
	TAXABLE INCOME	TAX RATE IS	MAX TAX OF	TOTAL FEDERAL INCOME TAX
IF TAXABLE INCOME IS NOT OVER	\$ 15,700.00	10.00%	\$ 1,570.00	\$ 1,570.00
IF TAXABLE INCOME IS BETWEEN	\$ 15,751.00			
AND	\$ 59,850.00	12.00%	\$ 5,291.88	\$ 6,868.00
IF TAXABLE INCOME IS BETWEEN	\$ 59,851.00	22.00%		
AND	\$ 95,350.00		\$ 7,809.78	\$ 14,677.78
IF TAXABLE INCOME IS BETWEEN	\$ 95,351.00	24.00%		
AND	\$ 182,100.00		\$ 20,819.76	\$ 35,497.54
IF TAXABLE INCOME IS BETWEEN	\$ 182,101.00	32.00%		
AND	\$ 231,250.00		\$ 15,727.68	\$ 51,225.22
IF TAXABLE INCOME IS BETWEEN	\$ 231,251.00	35.00%		
AND	\$ 578,100.00		\$ 121,397.15	\$ 172,622.37
IF TAXABLE INCOME IS OVER	\$ 578,100.00	37.00%		TO INFINITY
MARRIED FILING SEPARATE TAX RATE TABLE-FEDERAL				
	TAXABLE INCOME	TAX RATE IS	MAX TAX OF	TOTAL FEDERAL INCOME TAX
IF TAXABLE INCOME IS NOT OVER	\$ 11,000.00	10.00%	\$ 1,100.00	\$ 1,100.00
IF TAXABLE INCOME IS BETWEEN	\$ 11,001.00			
AND	\$ 44,725.00	12.00%	\$ 4,046.88	\$ 5,146.88
IF TAXABLE INCOME IS BETWEEN	\$ 44,726.00	22.00%		
AND	\$ 95,375.00		\$ 11,142.78	\$ 16,289.66
IF TAXABLE INCOME IS BETWEEN	\$ 95,376.00	24.00%		
AND	\$ 182,100.00		\$ 20,813.76	\$ 37,103.42
IF TAXABLE INCOME IS BETWEEN	\$ 182,101.00	32.00%		
AND	\$ 231,250.00		\$ 15,727.68	\$ 52,831.10
IF TAXABLE INCOME IS BETWEEN	\$ 231,251.00	35.00%		
AND	\$ 346,875.00		\$ 40,468.40	\$ 93,299.50
IF TAXABLE INCOME IS OVER	\$ 346,875.00	37.00%		TO INFINITY
UNMARRIED INDIVIDUALS TAX RATE TABLE-FEDERAL				
	TAXABLE INCOME	TAX RATE IS	MAX TAX OF	TOTAL FEDERAL INCOME TAX
IF TAXABLE INCOME IS NOT OVER	\$ 11,000.00	10.00%	\$ 1,100.00	\$ 1,100.00
IF TAXABLE INCOME IS BETWEEN	\$ 11,001.00			
AND	\$ 44,725.00	12.00%	\$ 4,046.88	\$ 5,146.88
IF TAXABLE INCOME IS BETWEEN	\$ 44,726.00	22.00%		
AND	\$ 95,375.00		\$ 11,142.78	\$ 16,289.66
IF TAXABLE INCOME IS BETWEEN	\$ 95,376.00	24.00%		
AND	\$ 182,100.00		\$ 20,813.76	\$ 37,103.42
IF TAXABLE INCOME IS BETWEEN	\$ 182,101.00	32.00%		
AND	\$ 231,250.00		\$ 15,727.68	\$ 52,831.10
IF TAXABLE INCOME IS BETWEEN	\$ 231,251.00	35.00%		
AND	\$ 578,125.00		\$ 121,405.90	\$ 174,237.00
IF TAXABLE INCOME IS OVER	\$ 578,126.00	37.00%		TO INFINITY

2023 ESTATE AND TRUST TAX TABLE

ESTATE AND TRUST TAX RATE TABLE-FEDERAL 2023					
	TAXABLE INCOME	TAX RATE IS:	\$ AMT OF TAX	TOTAL FEDERAL TAX	
IF TAXABLE INCOME IS NOT OVER	\$ 2,900.00	10.00%	\$ 290.00	\$ 290.00	
IF TAXABLE INCOME IS BETWEEN	\$ 2,901.00				
AND	\$ 10,550.00	24.00%	\$ 1,835.76	\$ 2,125.76	
IF TAXABLE INCOME IS BETWEEN	\$ 10,551.00				
AND	\$ 14,450.00	35.00%	\$ 1,364.65	\$ 3,490.41	
IF TAXABLE INCOME IS OVER	\$ 14,450.00	37.00%		TO INFINITI	

STATE OF ARIZONA ISSUES

(NOTE: AZ DOES NOT RELEASE CURRENT YEAR ADJUSTMENTS UNTIL DECEMBER)

BASIC STANDARD DEDUCTIONS - 2023:

Single:	\$13,850.00	Married Filing Separate:	\$13,850.00
Married Filing Jointly:	\$27,700.00	Head of Household:	\$20,800.00

CHILD TAX CREDITS IN LIEU OF DEPENDENTS EXEMPTION; CREDIT AMOUNT IS \$100 FOR DEPENDENTS UNDER AGE 17. IT IS \$25 FOR DEPENDENTS OVER AGE 17. CREDIT DOES PHASE OUT ONCE FEDERAL AGI IS GREATER THAN \$200,000.

ALL FILING STATUSES TAX RATE TABLE-ARIZONA 2023

TAX RATE

FLAT TAX RATE OF	2.50%
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MOST COMMON ARIZONA TAX CREDITS

CREDIT NAME AND AZ FORM NUMBER 2023	SINGLE	MFJ
Extra-Curricular Tuition Credit(FORM 322)	\$ 200.00	\$ 400.00
Private Education Tuition Credit(FORM 323)	\$ 655.00	\$ 1,308.00
Certified School Tuition Organization Credit(FORM 348)	\$ 652.00	\$ 1,301.00
Qualified Charitable Organization Credit(form 321)	\$ 421.00	\$ 841.00
Qualifying Foster Care Charitable Organizations Credit(form 352)	\$ 526.00	\$ 1,051.00