

# **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**

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

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 - 2022:*

Single:	\$12,950.00	Married Filing Separate:	\$12,950.00
Married Filing Jointly:	\$25,900.00	Head of Household:	\$19,400.00

**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.**

SINGLE OR MARRIED FILING SEPARATELY TAX RATE TABLE-ARIZONA 2022			
		TAX RATE IS	
IF TAXABLE INCOME IS BETWEEN 0 AND \$28,653.00		2.55%	
IF TAXABLE INCOME IS BETWEEN 28,654.00 AND INFINITY		2.98%	PLUS \$731.00

HEAD OF HOUSEHOLD OR MARRIED FILING JOINT TAX RATE TABLE-ARIZONA 2022			
		TAX RATE	
IF TAXABLE INCOME IS BETWEEN 0 AND \$57,305.00		2.55%	
IF TAXABLE INCOME IS BETWEEN 57,306.00 AND INFINITY		2.98%	PLUS \$1,461.00

## MOST COMMON ARIZONA TAX CREDITS

CREDIT NAME AND AZ FORM NUMBER	SINGLE	MFJ
Extra-Curricular Tuition Credit(FORM 322)	\$ 200.00	\$ 400.00
Private Education Tuition Credit(FORM 323)	\$ 623.00	\$ 1,245.00
Certified School Tuition Organization Credit(FORM 348)	\$ 652.00	\$ 1,301.00
Qualified Charitable Organization Credit(form 321)	\$ 400.00	\$ 800.00
Qualifying Foster Care Charitable Organizations Credit(form 352)	\$ 500.00	\$ 1,000.00