

2018

Income Tax Rates

2017

If Taxable Income is:

| Over   | But Not Over | The Tax Is      | Am't Over |
|--|--------------|-----------------|-----------|
| <b>Married Filing Jointly and Surviving Spouse</b> |              |                 |           |
| \$0  | \$19,050     | \$0+10%         | \$0       |
| 19,050   | 77,400       | \$1,905+15%     | 19,050    |
| 77,400   | 156,150      | \$10,675.50+25% | 77,400    |
| 156,150  | 237,950      | \$30,345+28%    | 156,150   |
| 237,950  | 424,950      | \$53,249+33%    | 237,950   |
| 424,950  | 480,050      | \$114,959+35%   | 424,950   |
| 480,050  |              | 134,244+39.6%   | 480,050   |

Single

|         |         |                  |         |
|---------|---------|------------------|---------|
| \$0     | \$9,525 | \$0+10%          | \$0     |
| 9,525   | 38,700  | \$952.50+15%     | 9,525   |
| 38,700  | 93,700  | \$5,328.75+25%   | 38,700  |
| 93,700  | 195,450 | \$19,078.75+28%  | 93,700  |
| 195,450 | 424,950 | \$47,568.75+33%  | 195,450 |
| 424,950 | 426,700 | \$123,303.75+35% | 424,950 |
| 426,700 |         | 123,916.25+39.6% | 426,700 |

Married Filing Separately

|         |         |                 |         |
|---------|---------|-----------------|---------|
| \$0     | \$9,525 | \$0+10%         | \$0     |
| 9,525   | 38,700  | \$952.50+15%    | 9,525   |
| 38,700  | 78,075  | \$5,328.75+25%  | 38,700  |
| 78,075  | 118,975 | \$15,172.50+28% | 78,075  |
| 118,975 | 212,475 | \$26,624.50+33% | 118,975 |
| 212,475 | 240,025 | \$57,479.50+35% | 212,475 |
| 240,025 |         | 67,122+39.6%    | 240,025 |

Head of Household

|         |          |                 |         |
|---------|----------|-----------------|---------|
| \$0     | \$13,600 | \$0+10%         | \$0     |
| 13,600  | 51,850   | \$1,360+15%     | 13,600  |
| 51,850  | 133,850  | \$7,097.50+25%  | 51,850  |
| 133,850 | 216,700  | \$27,597.50+28% | 133,850 |
| 216,700 | 424,950  | \$50,795.50+33% | 216,700 |
| 424,950 | 453,350  | \$119,518+35%   | 424,950 |
| 453,350 |          | 129,458+39.6%   | 453,350 |

Estates &amp; Trusts

|        |         |               |        |
|--------|---------|---------------|--------|
| \$0    | \$2,600 | \$0+15%       | \$0    |
| 2,600  | 6,100   | \$390+25%     | 2,600  |
| 6,100  | 9,300   | \$1,265+28%   | 6,100  |
| 9,300  | 12,700  | \$2,161+33%   | 9,300  |
| 12,700 |         | \$3,283+39.6% | 12,700 |

Standard Deductions (2018 &amp; 2017)

| Filing Status              | 2018        | Add'l | 2017        | Add'l |
|----------------------------|-------------|-------|-------------|-------|
| Joint/Surviving Spouse     | 13,000      | 1,300 | 12,700      | 1,250 |
| Head of Household          | 9,550       | 1,600 | 9,350       | 1,550 |
| Married File Separate      | 6,500       | 1,300 | 6,350       | 1,250 |
| Single                     | 6,500       | 1,600 | 6,350       | 1,550 |
| <b>Personal Exemptions</b> | <b>2018</b> |       | <b>2017</b> |       |
| Amount                     | 4,150       |       | 4,050       |       |

If Taxable Income is:

| Over   | But Not Over | The Tax Is      | Am't Over |
|--|--------------|-----------------|-----------|
| <b>Married Filing Jointly and Surviving Spouse</b> |              |                 |           |
| \$0  | 18,650       | \$0+10%         | \$0       |
| 18,650   | 75,900       | \$1,865+15%     | 18,650    |
| 75,900   | 153,100      | \$10,452.50+25% | 75,900    |
| 153,100  | 233,350      | \$29,752.50+28% | 153,100   |
| 233,350  | 416,700      | \$52,222.50+33% | 233,350   |
| 416,700  | 470,700      | \$112,728+35%   | 416,700   |
| 470,700  |              | \$131,628+39.6% | 470,700   |

Single

|         |         |                  |         |
|---------|---------|------------------|---------|
| \$0     | 9,325   | \$0+10%          | \$0     |
| 9,325   | 37,950  | \$932.50+15%     | 9,325   |
| 37,950  | 91,900  | \$5,226.25+25%   | 37,950  |
| 91,900  | 191,650 | \$18,713.75+28%  | 91,900  |
| 191,650 | 416,700 | \$46,643.75+33%  | 191,650 |
| 416,700 | 418,400 | \$120,910.25+35% | 416,700 |
| 418,400 |         | 121,505.25+39.6% | 418,400 |

Married Filing Separately

|         |         |                 |         |
|---------|---------|-----------------|---------|
| \$0     | 9,325   | \$0+10%         | \$0     |
| 9,325   | 37,950  | \$932.50+15%    | 9,325   |
| 37,950  | 76,550  | \$5,226.25+25%  | 37,950  |
| 76,550  | 116,675 | \$14,876.25+28% | 76,550  |
| 116,675 | 208,350 | \$26,111.25+33% | 116,675 |
| 208,350 | 235,350 | \$56,364+35%    | 208,350 |
| 235,350 |         | \$65,814+39.6%  | 235,350 |

Head of Household

|         |         |                  |         |
|---------|---------|------------------|---------|
| \$0     | 13,350  | \$0+10%          | \$0     |
| 13,350  | 50,800  | \$1,335+15%      | 13,350  |
| 50,800  | 131,200 | \$6,952.50+25%   | 50,800  |
| 131,200 | 212,500 | \$27,052.50+28%  | 131,200 |
| 212,500 | 416,700 | \$49,816.50+33%  | 212,500 |
| 416,700 | 444,550 | \$117,202.50+35% | 416,700 |
| 444,550 |         | \$126,950+39.6%  | 444,550 |

Estates &amp; Trusts

|        |        |                  |        |
|--------|--------|------------------|--------|
| \$0    | 2,550  | \$0+15%          | \$0    |
| 2,550  | 6,000  | \$382.50+25%     | 2,550  |
| 6,000  | 9,150  | \$1,245+28%      | 6,000  |
| 9,150  | 12,500 | \$2,127+33%      | 9,150  |
| 12,500 |        | \$3,232.50+39.6% | 12,500 |

Itemized Deduction &amp; Personal Exemption Phase-Out Begins

| AGI Phase-out Threshold Am't | 2018    | 2017    |
|------------------------------|---------|---------|
| Joint/Surviving Spouse       | 320,000 | 313,800 |
| Head of Household            | 293,350 | 287,650 |
| Single                       | 266,700 | 261,500 |
| Married Filing Separately    | 160,000 | 156,900 |

FINANCIAL

Wealth Management Group

# 2018 TAX GUIDE



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Social Security (2018 &amp; 2017)

| Maximum Comp. Subject to FICA:  | 2018      | 2017     |
|---------------------------------|-----------|----------|
| Social Security maximum (OASDI) | \$128,700 | 127,200  |
| Social Security employee rate   | 6.2%      | 6.2%     |
| Medicare maximum (HI)           | No Limit  | No Limit |
| Medicare employee rate          | 1.45%*    | 1.45%*   |

\* Additional 0.9% on income in excess of the threshold am't (\$250,000 married joint/ \$200,000 single not indexed) applies to wages of employees for a combined tax of 2.35%.

| Base Am't of Mod. AGI Causing Social Security Benefits to be Taxable: | 50% Taxable | 85% Taxable |
|---|-------------|-------------|
| Married Filing Jointly  | \$32,000    | \$44,000    |
| Single  | \$25,000    | \$34,000    |

Maximum Earnings Before Social Security Benefits are

| Reduced:                              | 2018     | 2017     |
|---------------------------------------|----------|----------|
| Under full retirement lose \$1 of \$2 | \$17,040 | \$16,920 |
| Year of retirement lose \$1 of \$3    | \$45,360 | \$44,880 |
| At full retirement age                | No Limit | No limit |

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**Long-Term Capital Gains & Qualified Dividend Rates\***

| Capital Gains     | 2018                 | 2017                 |
|-------------------|----------------------|----------------------|
| <b>Tax Rates:</b> | <b>Taxpayers in:</b> | <b>Taxpayers in:</b> |
| 0%                | Maintained using     | 10% & 15% Brackets   |
| 15%               | current bracket      | 25% - 35% Brackets   |
| 20%               | thresholds, index    | 39.6% Bracket        |

\*Additional 3.8% tax on net investment income applies to certain high income taxpayers to extent exceed modified AGI \$250,000 married joint/\$200,000 single (not indexed), increasing the rate to 23.8%.

**Corporate Income Tax (2017)**

| Taxable Income Over | Not Over   | Tax Rate |
|---------------------|------------|----------|
| \$0                 | 50,000     | 15%      |
| 50,000              | 75,000     | 25%      |
| 75,000              | 100,000    | 34%      |
| 100,000             | 335,000    | 39%      |
| 335,000             | 10,000,000 | 34%      |
| 10,000,000          | 15,000,000 | 35%      |
| 15,000,000          | 18,333,333 | 38%      |
| 18,333,333          |            | 35%      |

|                             |             |            |
|-----------------------------|-------------|------------|
| <b>Corporate Income Tax</b> | <b>2018</b> | <b>21%</b> |
|-----------------------------|-------------|------------|

**Estate & Gift Tax Rates (2018 & 2017)**

| Taxable Estate Is: |              |             |           |
|--------------------|--------------|-------------|-----------|
| Over               | But Not Over | The Tax Is  | Am't Over |
| \$0                | \$10,000     | \$0+18%     | \$0       |
| 10,000             | 20,000       | 1,800+20%   | 10,000    |
| 20,000             | 40,000       | 3,800+22%   | 20,000    |
| 40,000             | 60,000       | 8,200+24%   | 40,000    |
| 60,000             | 80,000       | 13,000+26%  | 60,000    |
| 80,000             | 100,000      | 18,200+28%  | 80,000    |
| 100,000            | 150,000      | 23,800+30%  | 100,000   |
| 150,000            | 250,000      | 38,800+32%  | 150,000   |
| 250,000            | 500,000      | 70,800+34%  | 250,000   |
| 500,000            | 750,000      | 155,800+37% | 500,000   |
| 750,000            | 1,000,000    | 248,300+39% | 750,000   |
| 1,000,000          |              | 345,800+40% | 1,000,000 |

**Other Estate & Gift Items (2018 & 2017)**

|                                     | 2018       | 2017      |
|-------------------------------------|------------|-----------|
| Annual gift tax exclusion           | \$15,000   | \$14,000  |
| Annual gift exclusion non-US spouse | 152,000    | 149,000   |
| Generation skipping exclusion       | 11,200,000 | 5,490,000 |
| Estate tax exclusion                | 11,200,000 | 5,490,000 |
| Gift tax exclusion                  | 11,200,000 | 5,490,000 |
| 2% limit for section 6166           | 1,520,000  | 1,490,000 |
| Special use valuation               | 1,140,000  | 1,120,000 |

**AMT Exemption\* (2018 & 2017)**

| Filing Status           | 2018      | 2017     |
|-------------------------|-----------|----------|
| Joint/Surviving Spouse  | \$109,400 | \$84,500 |
| Single                  | 70,300    | 54,300   |
| Married Filing Separate | 54,700    | 42,250   |

**AMT Exemption Phase-out Threshold\* (2018 & 2017)**

| Filing Status           | 2018        | 2017      |
|-------------------------|-------------|-----------|
| Joint/Surviving Spouse  | \$1,000,000 | \$160,000 |
| Single                  | 500,000     | 120,700   |
| Married Filing Separate | 500,000     | 120,700   |

\*Exemption and threshold for phase-out are indexed.

**Traditional IRA Deductibility Rules (2018 & 2017)**

| Filing Status        | Covered by employer Plan? | Modified AGI                |                             | Deductibility     |
|----------------------|---------------------------|-----------------------------|-----------------------------|-------------------|
|                      |                           | 2018                        | 2017                        |                   |
| Single               | No                        | Any amount<br>Less \$63,000 | Any amount<br>Less \$62,000 | Full deduction    |
|                      | Yes                       | 63,000-72,999               | 62,000-71,999               | Partial deduction |
|                      |                           | 73,000 & more               | 72,000 & more               | No deduction      |
| Married Filing Joint | Neither Spouse            | Any amount<br>Less 101,000  | Any amount<br>Less 99,000   | Full deduction    |
|                      | Both Spouse Covered       | 101,000-120,999             | 99,000-118,999              | Partial deduction |
|                      |                           | 121,000 & more              | 119,000 & more              | No deduction      |
|                      | One Spouse Covered - For  | 101,000-120,999             | 99,000-118,999              | Partial deduction |
|                      | Covered Spouse One Spouse | 121,000 & more              | 119,000 & more              | No deduction      |
|                      |                           | Less 189,000                | Less 186,000                | Full deduction    |
|                      | Covered - For Noncovered  | 189,000-198,999             | 186,000-195,999             | Partial deduction |
|                      |                           | 199,000 & more              | 196,000 & more              | No deduction      |

**Qualified Retirement Account Limits (2018 & 2017)**

|   | 2018    | 2017    |
|---|---------|---------|
| Contribution limits for traditional and Roth IRAs                 | \$5,500 | \$5,500 |
| Catch-up limits for traditional and Roth IRAs                     | 1,000   | 1,000   |
| Maximum elective deferral to retirement plans e.g. 401(k), 403(b) | 18,500  | 18,000  |
| Maximum elective deferral for 457 plans of tax-exempt employer    | 18,500  | 18,000  |
| Catch-up limits for 401(k), 403(b), SARSEP and 457                | 6,000   | 6,000   |
| Maximum elective deferral SIMPLE IRA and SIMPLE 401(k) plan       | 13,000  | 12,500  |
| Catch-up limits for SIMPLE IRA and SIMPLE 401(k) plan             | 3,000   | 3,000   |
| Limit on annual additions to SEP IRA plans                        | 55,000  | 54,000  |
| Annual compensation threshold requiring SEP IRA contribution      | 600     | 600     |
| Limit on annual additions to defined contribution plans           | 55,000  | 54,000  |
| Max. annual compensation taken into account for contributions     | 275,000 | 270,000 |
| Annual benefit limit under defined benefit plans                  | 220,000 | 215,000 |
| Threshold amount for definition of highly compensated employee    | 120,000 | 120,000 |
| Threshold amount for definition of key employee in top-heavy      | 175,000 | 175,000 |

**Roth IRAs (2018 & 2017)**

| AGI phase-out range for contributions: | 2018              | 2017            |
|--|-------------------|-----------------|
| Married filing joint                   | \$189,000-199,000 | 186,000-196,000 |
| Single                                 | \$120,000-135,000 | 118,000-133,000 |

**Uniform Lifetime Table**

Calculate required minimum distributions

| Age | Distribution Period |
|-----|---------------------|
| 70  | 27.4                |
| 71  | 26.5                |
| 72  | 25.6                |
| 73  | 24.7                |
| 74  | 23.8                |
| 75  | 22.9                |
| 76  | 22.0                |
| 77  | 21.2                |
| 78  | 20.3                |
| 79  | 19.5                |
| 80  | 18.7                |
| 81  | 17.9                |
| 82  | 17.1                |
| 83  | 16.3                |
| 84  | 15.5                |
| 85  | 14.8                |
| 86  | 14.1                |
| 87  | 13.4                |
| 88  | 12.7                |
| 89  | 12.0                |
| 90  | 11.4                |
| 91  | 10.8                |
| 92  | 10.2                |
| 93  | 9.6                 |
| 94  | 9.1                 |
| 95  | 8.6                 |
| 96  | 8.1                 |
| 97  | 7.6                 |
| 98  | 7.1                 |
| 99  | 6.7                 |
| 100 | 6.3                 |
| 101 | 5.9                 |

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