

# Tax Facts and Figures



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## 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:

	<i>AGI Beginning of Phaseout</i>	<i>AGI Completed Phaseout</i>
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



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## 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

<b>2016 Standard Mileage Rate Per Mile</b>		<b>2016 Standard Deduction for Meals—High Low Method (Per Day)</b>
Business	54.0¢	High cost localities
Medical and moving	19.0¢	All other localities
Charitable	14.0¢	Transportation workers
Depreciation	24.0¢	
		<b>Qualified Transportation Benefits</b>
<b>Section 179 Expense Limits</b>		Commuter benefits
Regular 179 limits	\$500,000	(per month)
SUV limits	\$25,000	Parking benefits (per month)
Investment phaseout begins	\$2,010,000	

## 2016 Retirement Plan Limits

<b>401(k)/403(b) Deferral Limits</b>		<b>Roth IRA Phaseout Range</b>
Under age 50	\$18,000	MFJ
Age 50 and over	\$24,000	Single, HOH
		MFS
<b>IRA Contribution Limits</b>		
Under age 50	\$5,500	
Age 50 and over	\$6,500	
<b>IRA Deduction Phaseout Range for Active Participation in Employer Plan</b>		<b>SIMPLE Deferral Limits</b>
MFJ	98,000–118,000	Under age 50
Single, HOH	61,000–71,000	Age 50 and over
MFS	0–10,000	
Spouse not active participant	184,000–194,000	<b>Qualified Retirement Plans</b>
		Profit sharing/SEP
		limits
		Defined benefit plan
		limits
		Compensation limits

## Education Tax Benefits Phaseouts

<b>American Opportunity Credit/ Hope Credit</b>		<b>Student Loan Interest Deduction Phaseout Range</b>
MFJ phaseout range	160,000–180,000	MFJ
Single and HOH phaseout	80,000–90,000	Single and HOH
Hope credit 100% of the first	\$2,000	Maximum deduction is
A.O. credit 25% of the next	\$2,000	
<b>Lifetime Learning Credit</b>		<b>U.S. Savings Bonds Exemption Phaseout Range</b>
MFJ phaseout range	111,000–131,000	MFJ
Single and HOH phaseout	55,000–65,000	Single and HOH
Lifetime learning credit 20% of first	\$10,000	
		<b>Education Savings Accounts Phaseout Range</b>
		MFJ
		All others

## 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.