

2018 Tax Reference Guide

Income Taxes

2017

If Taxable Income is:			
Over	But Not >	The Tax Is	Of the Amount >
Married Filing Jointly			
\$0	\$18,650	\$0+10%	\$0
18,651	75,900	1,865+15%	18,650
75,901	153,100	10,452.50+25%	75,900
153,101	233,350	29,752.50+28%	153,100
233,351	416,700	52,222.50+33%	233,350
416,701	470,700	112,728+35%	416,700
470,701+	-----	131,628+39.6%	470,700
Single			
\$0	\$9,325	\$0+10%	\$0
9,326	37,950	932.50+15%	9,325
37,951	91,900	5,226.25+25%	37,950
91,901	191,650	18,713.75+28%	91,900
191,651	416,700	46,643.75+33%	191,650
416,701	418,400	120,910.25+35%	416,700
418,401+	-----	121,505.25+39.6%	418,400
Estates & Trusts			
\$0	\$2,550	\$0+15%	\$0
2,551	6,000	382.50+25%	2,550
6,001	9,150	1,245+28%	6,000
9,151	12,500	2,127+33%	9,150
12,501+	-----	3,232.50+39.6%	12,500
C-Corporations (for all tax years since 1993)			
\$0	\$50,000	\$0+15%	\$0
50,001	75,000	7,500+25%	50,000
75,001	100,000	13,750+34%	75,000
100,001	335,000	22,250+39%	100,000
335,001	10,000,000	113,900+34%	335,000
10,000,001	15,000,000	3,400,000+35%	10,000,000
15,000,001	18,333,333	5,150,000+38%	15,000,000
18,333,334+	-----	6,416,667+35%	18,333,333

Professional Corporation: Flat 35%

2018

If Taxable Income is:			
Over	But Not >	The Tax Is	Of the Amount >
Married Filing Jointly			
\$0	\$19,050	\$0+10%	\$0
19,051	77,400	1,905+12%	19,050
77,401	165,000	8,907+22%	77,400
165,001	315,000	28,179+24%	165,000
315,001	400,000	64,179+32%	315,000
400,001	600,000	91,379+35%	400,000
600,001+	-----	161,379+37%	600,000
Single			
\$0	\$9,525	\$0+10%	\$0
9,526	38,700	952.50 + 12%	9,525
38,701	82,500	4,453.50 + 22%	38,700
82,501	157,500	14,089.50 + 24%	82,500
157,501	200,000	32,089.50 + 32%	157,500
200,001	500,000	45,689.50 + 35%	200,000
500,001+	-----	150,689.50 + 37%	500,000
Estates & Trusts			
\$0	\$2,550	\$0+10%	\$0
2,551	9,150	255+24%	2,550
9,151	12,500	1,839 +35%	9,150
12,501+	-----	3,011.50 + 37%	12,500
Corporations All C-Corporations pay a flat 21%			

Standard Deductions

		Additional Age 65 or Older, or Blind	
		Annual	
Married Filing Jointly	2017	\$12,700	\$1,250
	2018	\$24,000	\$1,300
Single	2017	\$6,350	\$1,550
	2018	\$12,000	\$1,600

Capital Gains and Qualified Dividends

Single	Married Filing Jointly	Tax Rate
\$0 - \$38,600	\$0 - 77,200	0%
\$38,600 - \$425,800	\$77,200 - \$479,000	15%
\$425,800+	\$479,000+	20%

Child Tax Credit

\$2,000 per child; phases out \$50 for each \$1,000 of AGI over \$400,000-married filing joint, or \$200,000-single.

Personal Exemptions

Personal Exemptions were repealed for 2018.

Kiddie Tax

Unearned income <19 (<24 & full time student)

	2017	2018	
First	\$1,050	\$1,050	No Tax
Next	\$1,050	\$1,050	10% Tax
Over	\$2,100	\$2,100	Trust Tax Rate*

**2017 at Parents' Rate*

Health Care Bill - Medicare Surtaxes

Wage Income	0.9%*
Net Investment Income	3.8%**
<i>*For most wage income. See IRS Code section 469.</i>	
<i>**For most "unearned income." See IRS Code section 4191.</i>	
Married Filing Jointly	\$250,000
Single	\$200,000

Estate & Gift Taxes

For Death / Gifts Occurring in 2018

Year	Exclusion Amount
2016	\$5.45 million
2017	\$5.49 million
2018	\$11.2 million

Annual Gift Tax Exclusion: \$15,000
Gift Tax Exemption: \$11.2 million
GSTT Exemption: \$11.2 million

Social Security

Base Amount of Modified Adjusted Gross Income 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:
Assumes full retirement age is 66
Under age 66 (lose \$1 for every \$2) \$17,040
Full retirement age and over No limit

Maximum Compensation Subject to FICA Taxes:
Social Security Maximum \$128,400
Medicare Maximum No limit

**Social Security tax rate: 12.4% self-employed; 6.2% employees
Medicare tax rate: 2.9% self-employed; 1.45% employees

Saver's Tax Credit

*Contributions to Employer Plans & IRAs
Maximum Credit \$1,000 or \$2,000 MFJ*

Married Filing Jointly	Single	Credit
\$0 - \$38,000	\$0 - \$19,000	50% of contribution
\$38,001 - \$41,000	\$19,001 - \$20,500	20% of contribution
\$41,001 - \$63,000	\$20,501 - \$31,500	10% of contribution
Over \$63,000	Over \$31,500	Not Available

Limit on Itemized Deductions

2018
"Pease Limitation" was repealed in 2018.

2017
The limitation on Itemized Deductions is reduced by 3% of the amount by which the AGI exceeds a specified threshold, up to a maximum reduction of 80%.

Married Filing Jointly	\$313,800
Single	\$261,500

2018 Tax Reference Guide

Roth IRAs

AGI Phase-Out Range for Contributions to Roth IRAs:

Married Filing Jointly: \$189,000 - \$199,000

Single: \$120,000 - \$135,000

Roth IRA conversion rules:

Unlimited Modified AGI Any tax filing status

Traditional IRA Deductibility Rules

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI		Deductibility
		2017	2018	
Single	No	Any amount	Any amount	Full deduction
	Yes	\$62,000 or less	\$63,000 or less	Full deduction
		\$62,001 - \$72,000	\$63,001 - \$73,000	Partial deduction
\$72,001 or more		\$73,001 or more	No deduction	
Married Filing Jointly	Neither Spouse Covered	Any amount	Any amount	Full deduction
		Both Spouses Covered	\$99,000 or less	\$101,000 or less
		\$99,001 - \$119,000	\$101,001 - \$121,000	Partial deduction
		\$119,001 or more	\$121,001 or more	No deduction
	One Spouse Covered	\$186,000 or less	\$189,000 or less	Full deduction
		\$186,001 - \$196,000	\$189,001 - \$199,000	Partial deduction
	\$196,001 or more	\$199,001 or more	No deduction	

Health Savings Accounts - HSAs

An "eligible individual" is defined as:

- (1) One covered by a high deductible health plan (HDHP), (an annual deductible of \$1,350 for single coverage and \$2,700 for family coverage where the maximum out of pocket cannot exceed \$6,650 for single coverage and \$13,300 for family coverage),
- (2) is not covered by any other health insurance except for some permitted coverages,
- (3) is not eligible for and enrolled in Medicare, and
- (4) cannot be claimed as a dependent on someone else's income tax return.

Contribution Limits:

	2017	2018
Single < 55	\$3,400	\$3,450
Single > 55	\$4,400	\$4,450
Family < 55	\$6,750	\$6,850
Family > 55	\$7,750	\$7,850

IRAs

Contribution Limits - Traditional and Roth

	2017	2018
Regular	\$5,500	\$5,500
Catch-Up*	\$1,000	\$1,000

*Only taxpayers age 50 and over are eligible

Catch-Up Contribution Limits for Other Qualified Plan Types

(catch-up for age 50 and older)

	2017	2018
401(k), 403(b), SARSEP & 457 Plan	\$6,000	\$6,000
SIMPLE IRA & SIMPLE 401(k) Plan	\$3,000	\$3,000

Qualified Plans

	2017	2018
Maximum elective deferral to retirement plans, e.g. 401(k), 403(b)	\$18,000	\$18,500
Maximum elective deferral to SIMPLE IRA and SIMPLE 401(k)	\$12,500	\$12,500
Maximum elective deferral to 457 plans of tax-exempt employers	\$18,000	\$18,500
Limit on annual additions to SEP IRA plans	\$54,000	\$55,000
Annual compensation threshold requiring SEP IRA contribution	\$600	\$600
Limit on annual additions to defined contribution plans	\$54,000	\$55,000
Maximum annual compensation taken into account for contributions	\$270,000	\$275,000
Annual benefit limit under defined benefit plans	\$215,000	\$220,000
Threshold amount for definition of highly compensated employee	\$120,000	\$120,000
Threshold amount for definition of key employee in top-heavy plans	\$175,000	\$175,000
Pension Benefit Guaranty Corp. monthly pension amt. (age 65, single life)	\$5,369	\$5,420.45

Uniform Lifetime Table

For calculating Required Minimum Distributions (RMDs) from Qualified Plans and Traditional IRAs

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

The information contained in this document is informational only and is not intended as, nor should it be construed as, legal or accounting advice. Neither HORAN nor its consultants provide legal, tax nor accounting advice of any kind. We make no legal representation nor do we take legal responsibility of any kind regarding regulatory compliance. Please consult your counsel for a definitive interpretation of current statute and regulation and their impact on you and your organization.

CORPORATE HEADQUARTERS

4990 East Galbraith Road
Cincinnati, Ohio 45236
513.745.0707
800.544.8306

DAYTON

2480 Kettering Tower
40 North Main Street
Dayton, Ohio 45423
937.610.3700

COLUMBUS

6750 Avery-Muirfield Drive
Suite A2
Dublin, Ohio 43017
614.376.0901

KENTUCKY

Columbia Executive Center
207 Grandview Drive, Suite 100
Fort Mitchell, Kentucky 41017
859.572.4500