

Here are the numbers for 2016-2017:

1) FICA & Self Employment taxes are comprised of two components:

a) Social Security (OASDI)

	2016	2017
Maximum Earnings Subject	\$ 118,500	\$ 127,200
Tax Rate (Employee)	6.2%	6.2%
Maximum FICA Tax (Employee)	7,347.00	7,886.40
Tax Rate (Employer)	6.2%	6.2%
Maximum FICA Tax (Employer)	7,347.00	7,886.40
Tax Rate (Self Employed)	12.40%	12.40%
Maximum FICA (Self-Employed)	14,694.00	15,772.80

b) Medicare Tax

Maximum Earnings Subject	No Ceiling	No Ceiling
Tax Rate (Employee)	1.45%	1.45%
Maximum Medicare Tax (Employee)	No Limit	No Limit
Tax Rate (Self Employed)	2.90%	2.90%
Maximum Medicare (Self-Employed)	No Limit	No Limit

2) Medicare Tax Increases for High Income Earners

Medicare wages and self-employment income in excess of \$200,000 (single) \$250,000 (MFJ) will be subject to an extra 0.9%

Medicare tax will only be withheld from employees' wages. Employers will not match the extra tax.

There is a Medicare tax of 3.8% on investment (unearned) income for taxpayers with (MAGI) over \$200,000 (single) and \$250,00 (MFJ).

3) Standard Deduction

Joint or Qualifying Widow(er)
 Single
 Head of Household
 Married Filing Separately
 Taxpayer Claimed as Dependent
 Additional for Elderly or Blind:
 Married
 Unmarried

	2016	2017
Joint or Qualifying Widow(er)	12,600	12,700
Single	6,300	6,350
Head of Household	9,300	9,350
Married Filing Separately	6,300	6,350
Taxpayer Claimed as Dependent	1,050	1,050
Additional for Elderly or Blind:		
Married	1,250	1,250
Unmarried	1,550	1,550

4) Personal/Dependent Exemption

The personal exemption phaseout with starting thresholds for taxpayers making
 Threshold AGI amounts: \$311,300 joint and \$259,400 single in 2016 and \$313,800 and \$261,500 in 2017
 Exemptions are reduced by 2% for each \$2,500 by which the taxpayer's AGI exceeds the threshold

	4,050	4,050
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5) Itemized Deduction Phase-out

Please limitations to apply to "high-earners."
 Threshold AGI amounts: \$311,300 and \$259,400 in 2016 and \$313,800 and \$261,500 in 2017
 Itemized deductions are reduced by 3% of the amount AGI exceeds the threshold amount, deductions.
 Reduction not to exceed 80% of the otherwise allowable itemized deductions

6) Unearned Income - Kiddie Tax- Now applies to Students under age 24

Unearned income of a child under age 18 in excess of indicated amounts is taxed at parent's rate, if higher.
 Also applies to a student ages 19 to 23 whose earned income is not more than half of the child's support

	2,100	2,100
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7) Alternative Minimum Tax Rate

Married filing joint & Single:	26% on first 175,000, 28% on excess
Married Filing Separate:	26% on first \$87,500, 28% on excess

8) Social Security Benefits Increase

2016	2017
Unchanged	0.30%

9) Earnings Ceiling for Social Security

Under full retirement age

Annual Total

Monthly Average

From January 1st of the year reaching full retirement age

through the month the retiree reaches full retirement age

From the first day of the first full month the retiree reaches

full retirement age

15,720	16,920
1,310	1,410
41,880	44,880
No Limit	No Limit

10) Medicare Part B Fee (Monthly) Based on Modified Adjusted Gross Income at Various Income Levels Below

For individuals enrolled in part B prior to 2016/2017 and receiving social security benefits

*****Please note that these amounts are estimates and the actual amount will be dependednt on actual S.S. Benefits received**

Individuals from:

Married couples from:

\$0-85,000
 \$85,000-\$107,000
 \$107,000-\$160,000
 \$160,000-\$214,000
 above \$214,000

\$0-170,000
 \$170,000-\$214,000
 \$214,000-\$320,000
 \$320,000-\$428,000
 above \$428,000

\$104.90	\$109.00
\$146.90	\$152.80
\$209.80	\$218.20
\$272.70	\$283.60
\$335.70	\$349.10

For individuals enrolled in part B for 1st time in 2016/17 and/or not receiving social security benefits

Individuals from:

Married couples from:

\$0-85,000
 \$85,000-\$107,000
 \$107,000-\$160,000
 \$160,000-\$214,000
 above \$214,000

\$0-170,000
 \$170,000-\$214,000
 \$214,000-\$320,000
 \$320,000-\$428,000
 above \$428,000

\$121.80	\$134.00
\$170.50	\$187.50
\$243.60	\$267.90
\$316.70	\$348.30
\$389.80	\$428.60

	<u>2016</u>	<u>2017</u>
<u>11) PA Income Tax Rate</u>	3.07%	3.07%
<u>12a) Philadelphia City Wage Tax</u>		
Residents 1/1-6/30	3.9102%	3.9004%
Residents 7/1-12/31	3.9004%	3.8907%
Non-Residents 1/1-6/30	3.4828%	3.4741%
Non-Residents 7/1-12/31	3.4741%	3.4654%
<u>12b) Philadelphia Income and Receipts Tax (BIRT) Exclusion</u>		
The exclusion is for gross receipts and a proportionate share of net income	\$100,000	\$100,000
<u>13) Pennsylvania Unemployment Employee Withholding Tax</u>		
Employee Withholding Rate	.07%	.07%
Taxable Wage Base for Employer Contribution	9,500	9,750
<u>14) NJ Unemployment, Disability & Family Leave Employee Taxes</u>		
Taxable Wage Base	32,600	33,500
Unemployment Withholding (UI)	0.3825%	0.3825%
Disability Insurance withholding (DI)	0.20%	0.24%
Family Leave Insurance (FLI)	0.08%	0.10%
<u>15) Federal Unemployment Tax (FUTA)</u>		
Wages Subject	7,000	7,000
Rate	.6%(.006)	.6%(.006)
Cost for each employee earning \$7,000 or more	42.00	42.00

16) Federal, PA, NJ and DE Minimum Wage

	<u>2016</u>	<u>2017</u>
Federal	7.25	7.25
Pennsylvania Minimum Wage	7.25	7.25
New Jersey Minimum Wage	8.38	8.44
Delaware Minimum Wage	8.25	8.25

17) Deduction Limits for Automobiles**Luxury Autos**

First year	11,160*	11,160*
Second year	5,100	5,100
Third year	3,050	3,050
Thereafter	1,875	1,875

Light Trucks, Vans and SUV's

First Year	11,560*	11,560*
Second Year	5,700	5,700
Third Year	3,350	3,450
Thereafter	2,075	2,075

*Includes \$8,000 1st year bonus depreciation.

18) Retirement Plans

Maximum wage eligible for Defined Contribution Plan
 Maximum contribution percentage - SEP/Profit Sharing
 Maximum contribution percentage - defined contribution

	2016	2017
	265,000	270,000
	25%	25%
	100%	100%

Maximum Contribution Amounts:

Defined Benefit Plan
 Defined Contribution Plan
 401K and 403B Plans (under age 50)
 401K and 403BPlans (**age 50 and over**)
 Simple Plans - Max. employee contribution (under age 50)
 Simple Plans - Max. employee contribution (**age 50 and over**)
 Traditional *Deductible IRA's (under age 50)
 Traditional *Deductible IRA's (**age 50 and over**)

	210,000	215,000
	53,000	54,000
	18,000	18,000
	24,000	24,000
	12,500	12,500
	15,500	15,500
	5,500	5,500
	6,500	6,500

**AGI level at which Deductible IRA phases out if you are covered by a retirement plan:*

Married Filing Jointly or qualifying widower
 Single or Head of Household
 Married Filing Separately

	\$98-118,000	\$99-119,000
	\$61-71,000	\$62-72,000
	0-\$10,000	0-\$10,000

Roth IRA's (under age 50)
 Roth IRA's (**age 50 and over**)

	5,500	5,500
	6,500	6,500

Generally, you can contribute to a Roth IRA if you have taxable compensation and your modified AGI is less than:

- \$196,000 in 2017 for married filing jointly or qualifying widow(er),
- \$132,000 in 2017 for single, head of household, or married filing separately
- \$10,000 for married filing separately and you lived with your spouse at any time during the year.

A married taxpayer not in a retirement plan can make a deductible IRA contribution, even if spouse is covered by a retirement plan. This phases out with with AGI from \$186,000 to \$196,000.

19) Standard Mileage Allowance - Cents per Mile

	2016	2017
Business Use	54	53.5
Medical and Moving	19	17
Charity	14	14

20) Annual Exclusion From Gift Tax

14,000	14,000
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21) Section 179 - First Year Expense for New Equipment Purchases

500,000	500,000
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22) Estate Tax Rates and Exclusions

Estate Tax Maximum Rate	40%	40%
Lifetime Exclusion	\$5,450,000	\$5,490,000

23) Capital Gain & Qualified Dividend Tax Rates

Taxpayers with AGI below \$418,400 (\$470,700 for MFJ)	15%	15%
Taxpayers with AGI exceeding amounts above	20%	20%

24) Federal Individual Income Tax Rates

2016 Married Filing Jointly:

	<u>Over</u>	<u>But Not Over</u>
10%	0	18,550
15%	18,551	75,300
25%	75,301	151,900
28%	151,901	231,450
33%	231,451	413,350
35%	413,351	466,950
39.6%	466,951	and greater

2017 Married Filing Jointly:

	<u>Over</u>	<u>But Not Over</u>
10%	0	18,650
15%	18,651	75,900
25%	75,901	153,100
28%	153,101	233,350
33%	233,351	416,700
35%	416,701	470,700
39.6%	470,701	and greater

2016 Single:

	<u>Over</u>	<u>But Not Over</u>
10%	0	9,275
15%	9,276	37,650
25%	37,651	91,150
28%	91,151	190,150
33%	190,151	413,350
35%	413,351	415,050
39.6%	415,051	and greater

2017 Single:

	<u>Over</u>	<u>But Not Over</u>
10%	0	9,325
15%	9,326	37,950
25%	37,951	91,900
28%	91,901	191,650
33%	191,651	416,700
35%	416,701	418,400
39.6%	418,401	and greater