

Here are the numbers for 2023-2024:

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

**a) Social Security (OASDI)**

	<b>2023</b>	<b>2024</b>
Maximum Earnings Subject	\$ 160,200	\$ 168,600
Tax Rate (Employee)	6.2%	6.2%
Maximum FICA Tax (Employee)	9,932.40	10,453.20
Tax Rate (Employer)	6.2%	6.2%
Maximum FICA Tax (Employer)	9,932.40	10,453.20
Tax Rate (Self Employed)	12.40%	12.40%
Maximum FICA (Self-Employed)	19,864.80	20,906.40

**b) Medicare Tax**

	No Ceiling	No Ceiling
Maximum Earnings Subject		
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), and \$125,000 (married filing separately) 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), \$250,000 (MFJ), and \$125,000 (married filing separately).

**3) Standard Deduction**

	<b>2023</b>	<b>2024</b>
Joint or Qualifying Widow(er)	27,700	29,200
Single	13,850	14,600
Head of Household	20,800	21,900
Married Filing Separately	13,850	14,600
Taxpayer Claimed as Dependent		
Additional for Elderly or Blind:		
Married	1,500	1,550
Unmarried	1,850	1,950

**4) Child Tax Credit**

Maximum Credit under age 6 subject to phaseouts	2,000	2,000
Maximum Credit ages 6-17 subject to phaseouts	2,000	2,000
Maximum Refundable Credit subject to phaseouts	1,600	1,700

Individuals earning up to \$75,000 per year, heads of household earning up to \$112,500 per year and joint filers earning up to \$150,000 per year receive full credit

The amount of the payments will phase out by \$50 for every \$1,000 in adjusted gross income above those thresholds.

**5) Social Security Benefits Increase**

8.70%	3.20%
-------	-------

**6) Earnings Ceiling for Social Security**

Under full retirement age		
Annual Total	21,240	22,320
Monthly Average	1,770	1,860
From January 1st of the year reaching full retirement age through the month the retiree reaches full retirement age	56,520	59,520
From the first day of the first full month the retiree reaches full retirement age	No Limit	

		<b>2023</b>	<b>2024</b>
<b><u>7) Medicare Part B Fee (Monthly) Based on Modified Adjusted Gross Income at Various Income Levels Below</u></b>			
<i>Individuals from:</i>	<i>Married couples from:</i>		
\$0-103,000	\$0-206,000	\$164.90	\$174.70
\$103,001-\$129,000	\$206,001-\$258,000	\$230.80	\$244.60
\$129,001-\$161,000	\$258,001-\$322,000	\$329.70	\$349.40
\$161,001-\$193,000	\$322,001-\$386,000	\$428.60	\$454.20
\$193,001-500,000	\$386,001-\$750,000	\$527.50	\$559.00
above \$500,000	above \$750,000	\$560.50	\$594.00
<b><u>8) PA Income Tax Rate</u></b>		3.07%	3.07%
<b><u>9) Philadelphia City Wage Tax</u></b>			
Residents		3.7500%	3.7500%
Non-Residents		3.4400%	3.4400%
<b><u>10) Pennsylvania Unemployment Employee Withholding Tax</u></b>			
Employee Withholding Rate		.07%	.07%
Taxable Wage Base for Employer Contribution		10,000	10,000
<b><u>11) NJ Unemployment, Disability &amp; Family Leave Employee Taxes</u></b>			
Taxable Wage Base		41,100	42,300
Unemployment Withholding (UI)		0.3825%	0.3825%
Disability Insurance withholding (DI)		0.00%	0.00%
Workforce Development (WF/SWF)		0.0425%	0.0425%
Family Leave Insurance (FLI) (Wage Base increased to \$161,900 for 2024)		0.06%	0.09%

	<b>2023</b>	<b>2024</b>
<b><u>12) Federal Unemployment Tax (FUTA)</u></b>		
Wages Subject	7,000	7,000
Rate	.6%(.006)	.6%(.006)
Cost for each employee earning \$7,000 or more	42.00	42.00
<b><u>13) Federal, PA &amp; DE Minimum Wage</u></b>		
Pennsylvania Minimum Wage	\$7.25	\$7.25
NJ Minimum Wage	\$14.13	\$15.13
<b><u>14) Deduction Limits for Automobiles</u></b>		
<b><u>Passenger car, Light Trucks, Vans and SUV's</u></b>		
First year	20,200	20,400
Second year	19,500	19,800
Third year	11,700	11,900
Thereafter	6,960	7,160
<b><u>15) Retirement Plans</u></b>		
Maximum wage eligible for Defined Contribution Plan	330,000	345,000
Maximum contribution percentage - SEP/Profit Sharing	25%	25%
Maximum contribution percentage - Defined Contribution	100%	100%
<b>Maximum Contribution Amounts:</b>		
Defined Benefit Plan	265,000	275,000
Defined Contribution Plan	66,000	69,000
401K and 403B Plans (under age 50)	22,500	23,000
401K and 403BPlans ( <b>age 50 and over</b> )	30,000	30,500
Simple Plans - Max. employee contribution (under age 50)	15,500	16,000
Simple Plans - Max. employee contribution ( <b>age 50 and over</b> )	19,000	19,500

**15) Retirement Plans - continued**

	<b>2023</b>	<b>2024</b>
Traditional *Deductible IRA's (under age 50)	6,500	7,000
Traditional *Deductible IRA's ( <b>age 50 and over</b> )	7,500	8,000
<i>*AGI level at which Deductible IRA phases out if you are covered by a retirement plan:</i>		
Married Filing Jointly or qualifying widower	\$116-136,000	\$123-143,000
Single or Head of Household	\$73-83,000	\$77-87,000
Married Filing Separately	0-\$10,000	0-\$10,000
Roth IRA's (under age 50)	6,500	7,000
Roth IRA's ( <b>age 50 and over</b> )	7,500	8,000

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

- \$240,000 in 2024 for married filing jointly or qualifying widow(er),
- \$161,000 in 2024 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 \$230,000 to \$240,000.**

**16) Standard Mileage Allowance - Cents per Mile**

Business Use	65.5	67
Medical and Moving	22	22
Charity	14	14

**17) Annual Exclusion From Gift Tax**

17,000
--------

	<b>2023</b>	<b>2024</b>
<b><u>18) First Year Expense for New Equipment Purchases</u></b>		
Section 179	1,160,000	1,220,000
Bonus Depreciation	80%	60%

- The law has expanded the definition of section 179 property to allow the taxpayer to elect to include qualified improvements made to the interior of nonresidential real property (with some exceptions) after the date when the property was first placed in service.
- The IRS allows "bonus depreciation" for a % of the cost of an expanded list of qualified assets, but many states including PA do not.

**Bonus depreciation is scheduled to be reduced to 40% in 2025, 20% in 2026 and will be eliminated in 2027**

**19) Capital Gain & Qualified Dividend Tax Rates**

Taxpayers with AGI below \$47,025 (\$94,050 for MFJ) in 2024	0%	0%
Taxpayers with AGI from \$47,026-\$518,900 (\$94,051-\$583,750 for MFJ) in 2024	15%	15%
Taxpayers with AGI exceeding \$518,900 (\$583,750 for MFJ) in 2024	20%	20%

**20) Federal Individual Income Tax Rates**

**2023 Married Filing Jointly:**

	<u>Over</u>	<u>But Not Over</u>
10%	0	22,000
12%	22,000	89,450
22%	89,450	190,750
24%	190,750	364,200
32%	364,200	462,500
35%	462,500	693,750
37%	693,750	and greater

**2023 Single:**

	<u>Over</u>	<u>But Not Over</u>
10%	0	11,000
12%	11,000	44,725
22%	44,725	95,375
24%	95,375	182,100
32%	182,100	231,250
35%	231,250	578,125
37%	578,125	and greater

**2024 Married Filing Jointly:**

	<u>Over</u>	<u>But Not Over</u>
10%	0	23,200
12%	23,200	94,300
22%	94,300	201,050
24%	201,050	383,900
32%	383,900	487,450
35%	487,450	731,200
37%	731,200	and greater

**2024 Single:**

	<u>Over</u>	<u>But Not Over</u>
10%	0	11,600
12%	11,600	47,150
22%	47,150	100,525
24%	100,525	191,950
32%	191,950	243,725
35%	243,725	609,350
37%	609,350	and greater