

TAX RATES – TAX YEAR 2024

INCOME, ESTATE, AND GIFT TAX RATES TAX BRACKETS

Single Taxpayers – 2024

| Taxable Income | Amount of tax |
|---------------------------------------|--|
| Not over \$11,600 | 10% of the taxable income |
| Over \$11,600 but not over \$47,150 | \$1,160 plus 12% of the excess over \$11,600 |
| Over \$47,150 but not over \$100,525 | \$5,426 plus 22% of the excess over \$47,150 |
| Over \$100,525 but not over \$191,950 | \$17,168.50 plus 24% of the excess over \$100,525 |
| Over \$191,950 but not over \$243,725 | \$39,110.50 plus 32% of the excess over \$191,950 |
| Over \$243,725 but not over \$609,350 | \$55,678.50 plus 35% of the excess over \$243,725 |
| Over \$609,350 | \$183,647.25 plus 37% of the excess over \$609,350 |

Married Filing Jointly Taxpayers and Surviving Spouses – 2024

| Taxable Income | Amount of tax |
|---------------------------------------|--|
| Not over \$23,200 | 10% of the taxable income |
| Over \$23,200 but not over \$94,300 | \$2,320 plus 12% of the excess over \$23,200 |
| Over \$94,300 but not over \$201,050 | \$10,852 plus 22% of the excess over \$94,300 |
| Over \$201,050 but not over \$383,900 | \$34,337 plus 24% of the excess over \$201,050 |
| Over \$383,900 but not over \$487,450 | \$78,221 plus 32% of the excess over \$383,900 |
| Over \$487,450 but not over \$731,200 | \$111,357 plus 35% of the excess over \$487,450 |
| Over \$731,200 | \$196,669.50 plus 37% of the excess over \$731,200 |

Head of Household – 2024

| Taxable Income | Amount of tax |
|---------------------------------------|--|
| Not over \$16,550 | 10% of the taxable income |
| Over \$16,550 but not over \$63,100 | \$1,655 plus 12% of the excess over \$16,550 |
| Over \$63,100 but not over \$100,500 | \$7,241 plus 22% of the excess over \$63,100 |
| Over \$100,500 but not over \$191,950 | \$15,469 plus 24% of the excess over \$100,500 |
| Over \$191,950 but not over \$243,700 | \$37,417 plus 32% of the excess over \$191,950 |
| Over \$243,700 but not over \$609,350 | \$53,977 plus 35% of the excess over \$243,700 |
| Over \$609,350 | \$181,954.50 plus 37% of the excess over \$609,350 |

Married Filing Separately Taxpayers – 2024

| Taxable Income | Amount of tax |
|---------------------------------------|---|
| Not over \$11,600 | 10% of the taxable income |
| Over \$11,600 but not over \$47,150 | \$1,160 plus 12% of the excess over \$11,600 |
| Over \$47,150 but not over \$100,525 | \$5,426 plus 22% of the excess over \$47,150 |
| Over \$100,525 but not over \$191,950 | \$17,168.50 plus 24% of the excess over \$100,525 |
| Over \$191,950 but not over \$243,725 | \$39,110.50 plus 32% of the excess over \$191,150 |
| Over \$243,725 but not over \$365,600 | \$55,678.50 plus 35% of the excess over \$243,725 |
| Over \$365,600 | \$98,334.75 plus 37% of the excess over \$365,600 |

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Estates and Trusts – 2024

| Taxable Income | Amount of tax |
|-------------------------------------|---|
| Not over \$3,100 | 10% of the taxable income |
| Over \$3,100 but not over \$11,150 | \$310 plus 24% of the excess over \$3,100 |
| Over \$11,150 but not over \$15,200 | \$2,242 plus 35% of the excess over \$11,150 |
| Over \$15,200 | \$3,659.50 plus 37% of the excess over \$15,200 |

DEDUCTIONS

Standard Deductions – 2024

| Filing Status | Amount |
|---|---------------|
| Basic | |
| Single | \$14,600 |
| Married Filing Jointly | \$29,200 |
| Married Filing Separately | \$14,600 |
| Head of Household | \$21,900 |
| Additional (for age 65 or older and/or blind) | |
| Unmarried (including head of household) | \$1,950 |
| Married or surviving spouse (whether or not joint return) | \$1,550 |

ITEMIZED DEDUCTIONS: The Pease Limitations – Now Repealed

The Pease limitations, when they were effective, reduced the value for high income taxpayers' itemized deductions. The limitations reduced the value of a taxpayer's itemized deductions by 3 percent for every dollar of taxable income above a certain threshold. The phase-out of the value of itemized deductions was capped at 80 percent of the total value of itemized deductions. The Pease Limitations was repealed by the Tax Cuts and Jobs Act (TCJA) when it was signed into law on December 22, 2017.

PERSONAL EXEMPTION

There are no Personal exemptions for the 2024 tax year.

ITEMIZED DEDUCTIONS AFTER TAX CUTS AND JOBS ACT

The Tax Cuts and Jobs Act (TCJA) brought significant changes to itemized deductions. As stated above, gone are the Pease Limitations on itemized deductions; however, the TCJA has eliminated or restricted many itemized deductions, currently effective through 2025. Additionally, the use of itemized deductions has been greatly reduced given the current standard deduction rates (set forth above). Below are the most significant itemized deduction issues following the TCJA:

- **State and Local Taxes.** Deductions for state and local real estate, personal property, and state income or sales taxes are capped at \$10,000 (\$5,000 if married filing separately).
- **Mortgage Interest.** Home mortgage interest is limited to the first \$750,000 of mortgage debt (\$350,000 if married filing separately). The interest deduction is gone for home equity loans, unless used to buy, build, or improve the home that secures the loan.

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- **Medical and Dental Expenses.** Taxpayers can deduct only the part of their medical and dental expenses that is more than 7.5% of their adjusted gross income.
- **Charitable Contributions.** The limit on deductions for charitable contributions is 60% of adjusted gross income.
- **Miscellaneous Deductions.** Deductions for job-related expenses that exceed 2% of adjusted gross income are no longer available. The elimination of miscellaneous deductions includes deductions for unreimbursed employee expenses (including uniforms, union dues, business-related meals, entertainment, and travel), tax preparation fees, theft and personal casualty losses (except certain casualty losses occurring in federally declared disaster areas).

ADDITIONAL POPULAR CREDITS AND DEDUCTIONS FOR 2024

- **Child Tax Credit.** Offers up to \$2,000.00 tax credit per qualifying dependent child 16 or younger at end of the calendar year. Up to \$1,700.00 of the credit is potentially refundable. This tax credit is available for married persons filing jointly if their modified adjusted gross income is under \$400,000.00 (\$200,000.00 for all other taxpayers).
- **Earned Income Tax Credit.** Offers between \$632.00 to \$7,830 of refundable tax credits (subject to maximum income limits) as follows:
 - No Children – Maximum \$632 credit. Income limit is \$25,511 for joint filers (\$18,591 for single filers or head of household). Phase-out begins at \$17,250 for joint filers (\$10,330 for single filers or head of household).
 - One Child – Maximum \$4,213 credit. Income limit is \$56,004 for joint filers (\$49,084 for single filers or head of household). Phase-out begins at \$29,640 for joint filers (\$22,720 for single filers or head of household).
 - Two Children – Maximum \$6,960 credit. Income limit is \$62,688 for joint filers (\$55,768 for single filers or head of household). Phase-out begins at \$29,640 for joint filers (\$22,720 for single filers or head of household).
 - Three or More Children – Maximum \$7,830 credit. Income limit is \$66,819 for joint filers (\$59,899 for single filers or head of household). Phase-out begins at \$29,640 for joint filers (\$22,720 for single filers or head of household).
- **Student Loan Interest Deduction.** The maximum deduction for interest paid on student loans is \$2,500. The deduction is phased out for individual taxpayers between the modified adjusted gross income ranges of \$80,000-\$95,000 or more; and for married persons filing jointly between the modified adjusted gross income ranges of \$165,000 - \$195,000.

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QUALIFIED BUSINESS INCOME DEDUCTION (199A DEDUCTION)

The Tax Cuts and Jobs Act initiated a qualified business income deduction that allows sole proprietors and owners of pass-through businesses to be eligible for a deduction of up to 20% for qualified business income. Entities generally eligible for this deduction are sole proprietorships, partnerships, S corporations, and limited liability companies that have pass through income. This deduction only applies to “qualified business income” which is defined as the net amount of qualified items of income, gain, deduction and loss with respect to any trade or business. In short, “qualified business income” is generally the business’s net profit. However, “qualified business income” *excludes*: Capital gains or losses, dividends, interest income, income earned outside of the U.S., and certain wage and guaranteed payments made to partners and shareholders. The qualified business income deduction is also subject to limits on the taxpayer’s total taxable income (not just business income). The table below sets forth the threshold and phased-in amounts of total taxable income for the qualified business income deduction for 2024:

| Filing Status | Threshold Amount of Total Taxable Income | Phased-In Amount of Total Taxable Income |
|---------------------------|--|--|
| Married Filing Jointly | \$0 - \$383,900 | \$483,900 |
| Married Filing Separately | \$0 – \$191,950 | \$241,950 |
| All other Taxpayers | \$0 - \$191,950 | \$241,950 |
| | | |

ALTERNATIVE MINIMUM TAX

AMT rates (on taxable excess – i.e. alternative minimum taxable income less exemption amount)

| | |
|---|---|
| Individual, estate, trust | 28% of excess alternative minimum taxable income of \$232,600 (\$116,300 for married filing separately) |
| Corporation (other than exempt small corporation) | Repealed by Tax Cuts and Jobs Act |

AMT EXEMPTION AMOUNTS – indexed for inflation

| | |
|--|-----------|
| Single / Head of Household* | \$85,700 |
| Married Filing Jointly / Surviving Spouse* | \$133,300 |
| Married Filing Separately | \$66,650 |
| Trusts and Estates | \$29,900 |
| Corporation | N/A |

The threshold and complete phaseout amounts for the AMT exemptions are as follows: For Joint Returns or Surviving spouses: \$1,218,700 - \$1,751,900. For Unmarried Individuals (other than Surviving Spouses): \$609,350 - \$952,150. For Married Individuals Filing Separate Returns: \$609,350 - \$875,950. For Estates and Trust: \$99,700 - \$219,300.

2024 SELF-EMPLOYMENT TAX

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| FICA | Tax Base | Tax Rate |
|-----------------|-----------------|-----------------|
| Social Security | \$168,600 | 12.4% |
| Medicare | No limit | 2.9% |

Additional Medicare Tax – The IRS implemented the Additional Medicare Tax on November 26, 2013 as added by the Affordable Care Act. The Additional Medicare Tax applies to wages, railroad retirement (RRTA) compensation, and self-employment income over a certain threshold amount received in taxable years beginning after December 31, 2012. Employers are responsible for withholding the tax on wages and RRTA compensation in certain circumstances.

- Rate: 0.9%

An individual is liable for Additional Medicare Tax if the individual’s wages, compensation, or self-employment income (together with that of his or her spouse if filing a joint return) exceed the threshold amount for the individual’s filing status:

| Filing Status | Threshold Amount |
|--|-------------------------|
| Married filing jointly | \$250,000 |
| Married filing separate | \$125,000 |
| Single | \$200,000 |
| Head of household (with qualifying person) | \$200,000 |
| Qualifying widow(er) with dependent child | \$200,000 |

CORPORATE TAX

| Taxable Income | Amount of tax |
|-----------------------|-----------------------|
| Any amount over \$0 | 21% of taxable income |

ESTATE AND GIFT TAX RATES*

| If the amount with respect to which the tentative tax to be computed is: | The tentative tax is: |
|---|------------------------------|
| \$0 - \$10,000 | 18% |
| \$10,001 - \$20,000 | 20% |
| \$20,001 – \$40,000 | 22% |
| \$40,001 - \$60,000 | 24% |
| \$60,001 - \$80,000 | 26% |
| \$80,001 - \$100,000 | 28% |
| \$100,001 - \$150,000 | 30% |
| \$150,001 - \$250,000 | 32% |
| \$250,001 - \$500,000 | 34% |
| \$500,001 - \$750,000 | 37% |
| \$750,001 - \$1,000,000 | 39% |
| Over \$1,000,000 | 40% |

*For 2024, the annual gift tax exclusions are: \$18,000 for an individual; \$36,000 for married electing split gifts

Combined lifetime gift tax and gross estate tax exemption for individual: \$13,610,000

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GST tax exemption for individual: \$13,610,000

SOCIAL SECURITY TAX* – 2024 (Total FICA Rate of 15.3%)

| FICA | Tax Base | Rate | Maximum Tax |
|-------------------------------|-----------|-------|-------------|
| Social Security (12.4% total) | | | |
| Employee's share | \$168,600 | 6.2% | \$10,453.20 |
| Employer's share | \$168,600 | 6.2% | \$10,453.20 |
| Medicare (2.9% total) | | | |
| Employee's share | No limit | 1.45% | No limit |
| Employer's share | No limit | 1.45% | No limit |

*Self-employed individuals are responsible for the entire FICA tax rate of 15.3 percent (12.4 percent Social Security plus 2.9 percent Medicare)

STANDARD MILEAGE RATES

| | |
|----------------------------|--------------|
| Business use of automobile | 67¢ per mile |
| Medical or moving purposes | 21¢ per mile |
| Charitable | 14¢ per mile |
| | |

2024 LIMITS FOR RETIREMENT ACCOUNTS

| Account | Contribution Limit | Additional catch-up contribution for age 50 or older |
|------------------------------|--------------------|--|
| 401(k), 403(b) and 457 | \$23,000 | \$7,500 |
| SIMPLE IRA | \$16,000 | \$3,500 |
| QRP/Keogh and SEP-IRA | Up to \$69,000 | None |
| Individual 401(k) | Up to \$69,000 | \$7,500 |
| Traditional IRA and Roth IRA | \$7,000 | \$1,000 |

CAPITAL GAINS

| | | |
|---|--|--|
| Net short-term Capital Gains (held for one year or less) | Taxed at ordinary federal income tax rates | |
|---|--|--|

Long-Term Capital Gains and Qualified Dividend Tax Table

| Filing Status | Taxable Income for Zero (0%) Qualified Dividend Rate | Taxable Income for 15% Qualified Dividend Rate | Taxable Income for 20% Qualified Dividend Rate |
|---------------------------|--|--|--|
| Single | \$0 - \$47,025 | \$47,026-\$518,900 | Over \$518,900 |
| Married Filing Jointly | \$0 – \$94,050 | \$94,051 - \$583,750 | Over \$583,750 |
| Married Filing Separately | \$0 - \$47,025 | \$47,026 – \$291,850 | Over \$291,850 |
| Heads of Household | \$0 - \$63,000 | \$63,001 - \$551,350 | Over \$551,350 |

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Additional Net Investment Income Tax – The Net Investment Income Tax is imposed by section 1411 of the Internal Revenue Code. The NIIT applies an additional 3.8% tax on unearned income which generally includes interest, dividends, royalties, nonqualified annuities, rents (and other passive activity income), capital gains from the sale of property other than that used in an active trade or business, and income from a trade or business that is a passive activity or in the business of trading financial instruments and commodities. The Net Investment Income Tax applies: to single filers whose modified AGI exceeds \$200,000 per year, and married couples filing jointly whose AGI exceeds \$250,000 per year. For married persons filing separately, the threshold amount is \$125,000.00.