

2015 Tax Guide

Individual Tax Rates						
Taxable Income		Ordinary Income	Capital Gains and Dividends	Medicare Tax	Affordable Health Care Act	
Single	Joint				Earned Income	Investment Income***
\$0 to \$9,225	\$0 to \$18,450	10%	0%	2.9%*	0%	0%
\$9,226 to \$37,450	\$18,451 to \$74,900	15%				
\$37,451 to \$90,750	\$74,901 to \$151,200	25%				
\$90,751 to \$189,300	\$151,201 to \$230,450	28%				
\$189,301 to \$200,000	\$230,451 to \$250,000	33%				
\$200,001 to \$411,500	\$250,001 to \$411,500	35%				
\$411,501 to \$413,200	\$411,501 to \$464,850	39.6%	20%	0.9%	3.8%**	
> \$413,200	> \$464,850					

*2.9% = 1.45% employee paid + 1.45% employer paid

**3.8% tax is only imposed on adjusted gross income (AGI) in excess of the \$200,000 (\$250,000 joint) threshold

*** Investment income for purposes of 3.8% tax = dividends, interest, capital gains, non-qualified annuity distributions, royalties, rents, and passive income (not qualified retirement distributions)

Select Tax Items		
Tax Limits	2015	
Gift tax annual exclusion	\$14,000	
Estate tax exemption	\$5,430,000	
Top federal estate tax bracket	40%	
IRA distributions direct to charity (over age 70.5)	N/A	
IRA / Roth IRA contribution limit	\$5,500	
IRA / Roth IRA catch-up provisions for individuals 50+	\$1,000	
Health Savings Account contribution limit [Individual, (Family)]	\$3,350, (\$6,650)	
Health Savings Account catch-up provisions for individuals 55+	\$1,000	
Phaseout Items	Single	Joint
Itemized deduction phaseout begins at	\$258,250	\$309,900
<i>*Itemized deductions reduced by 3% for every dollar above phaseout, capped at 80% of total itemized deductions</i>		
Personal exemption completely phased-out at	\$380,750	\$432,400
Deductible IRA contribution phaseout (if covered by qualified plan)	\$61,000 to \$71,000	\$98,000 to \$118,000
<i>*If one spouse covered by a plan</i>		
Roth IRA contribution phaseout	\$116,000 to \$131,000	\$183,000 to \$193,000
AMT exemption	\$53,600	\$83,400
Part B Premiums begin to increase with MAGI over	\$85,000	\$170,000

Retirement Plan Contribution Limits		
Plan	Limit	
Defined contribution plans	\$53,000	
401(k) (Roth/Traditional), 403(b), 457(b) plans	\$18,000	
Catch-up provision for individuals 50+	\$6,000	
SIMPLE plans	\$12,500	
SIMPLE plans - catch-up provision for individuals 50+	\$3,000	
Estates and Trusts		
Income	Rate	
< \$2,500	15%	
\$2,501 to \$5,900	25%	
\$5,901 to \$9,050	28%	
\$9,051 to \$12,300	33%	
> \$12,300*	39.6%	
Short (Sold) Options		
Put/Call Action	Taxable Amount	Tax Treatment (long/short)
Option expires worthless	Premium	Short
Option is closed	Net gain/loss of closing	Short
Call option assigned	Premium + strike price - security basis	Short or long**

*Investment income > \$12,300 subject to additional 3.8% surtax

**Underlying security held > 1 year is long term gain/loss, security held < 1 year is short term gain/loss

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Retirement Plan Contribution Limits	
Annual compensation used to determine contribution for most plans	\$265,000
Defined contribution plans	\$53,000
Defined benefit plans	\$210,000
401(k), 403(b), 457(b) plans	\$18,000
Catch-up provision for individuals 50+	\$6,000
SIMPLE plans	\$12,500
SIMPLE plans - catch-up provision for individuals 50+	\$3,000
Roth 401(k)	\$18,000
Roth 401(k) - catch-up provision for individuals 50+	\$6,000
Maximum ESOP balance subject to 5 year distribution period	\$1,070,000

Individual Retirement Accounts				
IRA type	Contribution limit	Catch-up at 50+	Phaseouts	
Non-deductible	\$5,500	\$1,000	None	
Covered by qualified plan:				
			\$98,000 to \$118,000	joint
Deductible	\$5,500	\$1,000	\$61,000 to \$71,000	single, HOH
			\$10,000	MFS
If one spouse covered by a plan:				
			\$183,000 to \$193,000	joint
Roth	\$5,500	\$1,000	\$116,000 to \$131,000	single, HOH
			\$0 to \$10,000	MFS
Roth conversion			None	

Medicare Premiums & Deductibles		
Part B premium	\$104.90	
Part B deductible	\$147	
Part A (inpatient services) deductible < 61 days of hospitalization	\$1,260	per benefit period
Part A deductible 61 - 90 days of hospitalization	\$315	per day
Part A deductible > 90 days of hospitalization	\$630	per day

Part B Premiums for High-Income Taxpayers		
MAGI single	MAGI joint	Part B premium
< \$85,001	< \$170,001	\$104.90
85,001 to \$107,000	\$170,001 to \$214,000	\$146.90
\$107,001 to \$160,000	\$214,001 to \$320,000	\$209.80
\$160,001 to \$214,000	\$320,001 to \$428,000	\$272.70
> \$214,000	> \$428,000	\$335.70

Social Security Benefits		
Full retirement age (FRA) if born between 1943 & 1954	66	
Maximum monthly benefit	\$2,663	
Retirement earnings exempt amounts	\$15,720	under FRA
	\$41,880	during yr. reach FRA
	No limit after FRA	
Tax (FICA)	% withheld	Maximum tax payable
SS tax paid on income	< \$118,500	
Employer pays	6.20%	\$7,347
Employee pays	6.20%	\$7,347
Self-employed pays	12.40%	\$14,694
Medicare tax paid on all income		
Employer pays	1.45%	No maximum
Employee pays	1.45%	No maximum
Self-employed pays	2.90%	No maximum

Social Security Taxes		
Filing status	AGI + provisional income*	Taxable portion
Married filing jointly	< \$32,000	0%
	\$32,001 to \$44,000	50%
	> \$44,000	85%
Single, HOH, MFS and living apart from spouse	< \$25,000	0%
	\$25,001 to \$34,000	50%
	> \$34,000	85%
Married filing separately & living with spouse	> \$0	85%

*Provisional income = tax-exempt interest + 50% of SS benefit

Deductibility of Long-Term Care Premiums on Qualified Policies	
Attained age before close of tax yr.	Amount of LTC premiums that qualify as medical expenses
40 or less	\$380
41 to 50	\$710
51 to 60	\$1,430
61 to 70	\$3,800
> 70	\$4,750

Health Savings Accounts			
Annual limit	Max. deductible contribution	Deductible/Co-pay limits	Minimum annual deductible
Individuals	\$3,350	\$6,450	\$1,300
Families	\$6,650	\$12,900	\$2,600
Catch-up for 55+	\$1,000		

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2015 Tax Rate Schedule						
Taxable income	Base amount of tax			Marginal tax rate	Of the amount over	
Single						
<	\$9,225	\$0.00	+	10.0%	\$0	
\$9,225 to	\$37,450	\$922.50	+	15.0%	\$9,225	
\$37,450 to	\$90,750	\$5,156.25	+	25.0%	\$37,450	
\$90,750 to	\$189,300	\$18,481.25	+	28.0%	\$90,750	
\$189,300 to	\$411,500	\$46,075.25	+	33.0%	\$189,300	
\$411,500 to	\$413,200	\$119,401.25	+	35.0%	\$411,500	
>	\$413,200	\$119,996.25	+	39.6%	\$413,200	
Married filing jointly & surviving spouses						
<	\$18,450	\$0.00	+	10.0%	\$0	
\$18,450 to	\$74,900	\$1,845.00	+	15.0%	\$18,450	
\$74,900 to	\$151,200	\$10,312.50	+	25.0%	\$74,900	
\$151,200 to	\$230,450	\$29,387.50	+	28.0%	\$151,200	
\$230,450 to	\$411,500	\$51,577.50	+	33.0%	\$230,450	
\$411,500 to	\$464,850	\$111,324.00	+	35.0%	\$411,500	
>	\$464,850	\$129,996.50	+	39.6%	\$464,850	
Head of household						
<	\$13,150	\$0.00	+	10.0%	\$0	
\$13,150 to	\$50,200	\$1,315.00	+	15.0%	\$13,150	
\$50,200 to	\$129,600	\$6,872.50	+	25.0%	\$50,200	
\$129,600 to	\$209,850	\$26,722.50	+	28.0%	\$129,600	
\$209,850 to	\$411,500	\$49,192.50	+	33.0%	\$209,850	
\$411,500 to	\$439,000	\$115,737.00	+	35.0%	\$411,500	
>	\$439,000	\$125,362.00	+	39.6%	\$439,000	
Married filing separately						
<	\$9,225	\$0.00	+	10.0%	\$0	
\$9,225 to	\$37,450	\$922.50	+	15.0%	\$9,225	
\$37,450 to	\$75,600	\$5,156.25	+	25.0%	\$37,450	
\$75,600 to	\$115,225	\$14,693.75	+	28.0%	\$75,600	
\$115,225 to	\$205,750	\$25,788.75	+	33.0%	\$115,225	
\$205,750 to	\$232,425	\$55,662.00	+	35.0%	\$205,750	
>	\$232,425	\$64,998.25	+	39.6%	\$232,425	
Estates and trusts						
<	\$2,500	\$0.00	+	15.0%	\$0	
\$2,500 to	\$5,900	\$375.00	+	25.0%	\$2,500	
\$5,900 to	\$9,050	\$1,225.00	+	28.0%	\$5,900	
\$9,050 to	\$12,300	\$2,107.00	+	33.0%	\$9,050	
>	\$12,300	\$3,179.50	+	39.6%	\$12,300	

Standard Deductions & Personal Exemption			
Filing Status	Standard Deduction	Personal exemption	
	Deduction	Exemption	Phaseouts*
Married filing joint	\$12,600	\$4,000	\$309,900 to \$432,400
Single	\$6,300	\$4,000	\$258,250 to \$380,750
Married filing separate	\$6,300	\$4,000	\$154,950 to \$216,200
Head of household	\$9,250	\$4,000	\$284,050 to \$406,550
Additional deductions for non-itemizers		*Itemized deductions are limited, but not completely phased out	
Blind or > 65	\$1,250		
Blind or > 65 and single	\$1,550		
Gift & Estate Tax			
Maximum estate tax rate			40%
Estate/Gift tax exclusion			\$5,430,000
Gift tax annual exclusion			\$14,000
AMT Exemptions & Phaseouts			
Filing status	Exemption	Income phaseout threshold	
Married filing jointly & qualifying widow(er)	\$83,400	\$158,900	
Single & HOH	\$53,600	\$119,200	
Married filing separately	\$41,700	\$79,450	
Capital Gains Tax Rates			
Assets held less than 1 yr.		Marginal income rate	
Assets held longer than 1 yr.		0% for taxpayers in the 10% or 15% brackets; 15% for taxpayers in 25-35% bracket; 20% for taxpayers in the 39.6% bracket	
Unrecaptured Sec. 1250 gains		25%	
Collectibles		28%	
Education Credits & Deductions			
Credit / Deduction / Account	Maximum credit / deduction	Income phaseouts begin at AGI:	
American Opportunity Tax Credit	\$2,500	\$160,000 to \$180,000	joint
		\$80,000 to \$90,000	all others
Lifetime Learning Credit	\$2,000	\$110,000 to \$130,000	joint
		\$55,000 to \$65,000	all others
Student loan interest deduction	\$2,500	\$130,000 to \$160,000	joint
		\$65,000 to \$80,000	all others
Savings bond interest deduction	limited to amount of qualified expenses	\$115,750 to \$145,750	joint
		\$77,200 to \$92,200	all others
Coverdell	\$2,000 maximum contribution (non-deductible)	\$190,000 to \$220,000	joint
		\$95,000 to \$110,000	all others
Kiddie Tax			
Dependent children < age 19 (< 24 for full-time students) pay federal income tax at their parents' rate on investment income > \$2,100.			