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Please be aware that a large number of individual tax items of the 2018 Tax Act sunset in 2025.

New Alimony Rules: For Agreements executed or modified after 12/31/2018, alimony received is not income and alimony paid is not a deduction. However, parties can elect to follow any new rules that will be effective in 2026 as long as indicated in executed agreement.

*** Auto Mileage Rates for 2023: Released December 29, 2022**

Business – 65.5 cents per mile Medical - 22 cents per mile
Charity - 14 cents per mile Moving - 22 cents per mile

*** Depreciation Component** for business purposes of standard mileage rates are: 24 cents in 2015 and 2016; 25 cents in 2017 and 2018; 26 cents in 2019; 27 cents in 2020; 26 cents in 2021; 26 cents in 2022; and 28 cents in 2023. **Released December 29, 2022**

*** Gift Exclusion Annual Amount for 2023: \$17,000**

*** Estate and Gift Lifetime Exclusion for 2023: \$12.92 million (\$25.84M for spousal portability election)**

*** Foreign Earned Income Exclusion Annual Amount for 2023: \$120,000**

*** Social Security Numbers for 2023:**

Wage Limit: \$160,200

Quarter of Coverage: \$1,640

Retirement Earnings Test Exempt Amounts if under retirement age: \$21,240/yr (\$1,770/mo). Can earn \$21,240 in 2023 before their benefits are reduced by \$1 for every \$2 in excess earnings.

Retirement Earnings Test Exempt Amounts for year attaining retirement age before birth date: \$56,520/yr (\$4,710/mo). Benefit Reduction for months prior to full retirement age: \$1 of benefits for every \$3 earnings over limit

*** Long-Term Care Insurance Premium Limits for 2023:**

Age 40 or less:	\$ 480	More than 60, less than 71:	\$4,770
More than 40, less than 51:	\$ 890	More than 70:	\$5,960
More than 50, less than 61:	\$1,790		

*** HSA contribution amounts for 2023:**

Individual: \$3,850 (+\$1,000 for over age 55)

Family: \$7,750 (+\$1,000 for over age 55)

*** FSA contribution amounts for 2023: \$3,050. Maximum carryover amount is \$610.**

*** Retirement Deferrals for 2023:**

401(k) - \$22,500 (age 50 and over catch-up is \$7,500)

Simple - \$15,500 (age 50 and over catch-up is \$3,500)

IRA - \$6,500 (age 50 and over catch-up is \$1,000)

Defined Contribution Plan - \$66,000

- * **Compensation limits (401, 404, 408) for 2023:** \$330,000
- * **Certain expenses of elementary and secondary schoolteachers for 2023:** \$300
- * **Child Tax Credit in 2023:** \$2,000 for children under 17 years of age. Maximum refundable portion per child of \$1,600. Other dependents qualify for a \$500 nonrefundable credit.
- * **Election to Expense Certain Depreciation Assets (Section 179) for 2023:** \$1,160,000 (limit on capital purchases: \$2,890,000). Maximum Sport Utility Vehicle cost is limited to \$28,900.
- * **Bonus Depreciation in First Year:** 80% for assets placed in service in 2023; 60% for 2024; 40% for 2025; 20% for 2026; and 0% for 2027.
- * **Standard Deductions for 2023:** \$27,700 (MFJ, Surviving Spouse); \$20,800 (HOH); and \$13,850 (Single, MFS). Additional deduction for aged or blind is \$1,500 (\$1,850 for unmarried taxpayers).
- * **Additional Medicare Tax for 2023:** 3.8% surtax on net investment income and 0.9% Medicare contributions tax on earned income when adjusted gross income exceeds: \$250,000 (MFJ, Surviving Spouse); \$200,000 (HOH and Single) and \$125,000 (MFS)
- * **Alternative Minimum Tax for 2023:** For 2023, the exemption amounts are \$81,300 (Single/HOH); \$126,500 (MFJ) and \$63,250 for (MFS) and do not phase out until \$578,150 (Single/HOH/MFS) and \$1,156,300 (MFJ). The exemption amount for estates and trusts is \$28,400. The 28% rate applies to excess AMTI of \$220,700 (MFJ/HOH/Single) and \$110,350 (MFS)
- * **ACA Penalty for 2023:** For 2023, the penalty for not maintaining minimum essential health coverage: \$0
- * **Deduction for Pass-through (includes Sole Shareholders) Entities:** 20% of Qualified Business Income (QBI) limited to 50% of W-2 Wages or 25% of wages and 2.5% of Qualified Property Unadjusted Basis. Income limitations for service industries. QBI thresholds are \$364,200 (MFJ); \$182,100 (S/HOH/MFS).
- * **Capital Gains Tax Brackets for 2023:**
 - 0% for income \$0 to \$44,625 (Single); \$0 to \$89,250 (MFJ); and \$0 to \$59,750 (HOH)
 - 15% for income \$44,626 to \$492,300 (Single); \$89,251 to \$553,850 (MFJ); and \$59,751 to \$523,050 (HOH)
 - 20% for income over \$492,300 (Single); over \$553,850 (MFJ); and over \$523,050 (HOH)
- * **Medicare Coverage and Part D Costs for 2023 (based on 2021 income):**
 - Monthly Medicare payments are \$164.90 for MAGI under \$97,000 for Single/MFS and under \$194,000 for MFJ. Medicare Part D Premiums are set at plan premium at this level.
 - Monthly Medicare payments are \$230.80 for MAGI above \$97,000 up to \$123,000 for Single and above \$194,000 up to \$246,000 for MFJ. Monthly Medicare Part D Premiums are set at plan premium plus \$12.20 at this level.
 - Monthly Medicare payments are \$329.70 for MAGI above \$123,000 up to \$153,000 for Single and above \$246,000 up to \$306,000 for MFJ. Monthly Medicare Part D Premiums are set at plan premium plus \$31.50 at this level.
 - Monthly Medicare payments are \$428.60 for MAGI above \$153,000 up to \$183,000 for Single and above \$306,000 up to \$366,000 for MFJ. Monthly Medicare Part D Premiums are set at plan premium plus \$50.70 at this level.
 - Monthly Medicare payments are \$527.50 for MAGI above \$183,000 up to \$500,000 for Single; above \$366,000 up to \$750,000 for MFJ; and above \$97,000 up to \$403,000 for MFS. Monthly Medicare Part D Premiums are set at plan premium plus \$70.00 at this level.
 - Monthly Medicare payments are \$560.50 for MAGI above \$500,000 for Single; above \$750,000 for MFJ; and above \$403,000 for MFS. Monthly Medicare Part D Premiums are set at plan premium plus \$76.40 at this level.