

2023 Tax REFERENCE GUIDE



Wealth Management CPAs
Financial • Tax • Estate

Tax Brackets for 2023

Taxable income (i.e., income minus deductions and credits) between:

Married, Joint & Surviving Spouses	Marginal Tax Rates
\$0–\$22,000	10%
\$22,001–\$89,450	12%
\$89,451–\$190,750	22%
\$190,751–\$364,200	24%
\$364,201–\$462,500	32%
\$462,501–\$693,750	35%
over \$693,750	37%
Capital gains/qualified dividends	
\$0–\$89,250	0%
\$89,251–\$553,850	15%
over \$553,850	20%

Single	Marginal Tax Rates
\$0–\$11,000	10%
\$11,001–\$44,725	12%
\$44,726–\$95,375	22%
\$95,376–\$182,100	24%
\$182,101–\$231,250	32%
\$231,251–\$578,125	35%
over \$578,125	37%
Capital gains/qualified dividends	
\$0–\$44,625	0%
\$44,626–\$492,300	15%
over \$492,300	20%

Married, Separate	Marginal Tax Rates
\$0–\$11,000	10%
\$11,001–\$44,725	12%
\$44,726–\$95,375	22%
\$95,376–\$182,100	24%
\$182,101–\$231,250	32%
\$231,251–\$346,875	35%
over \$346,875	37%
Capital gains/qualified dividends	
\$0–\$44,625	0%
\$44,626–\$276,900	15%
over \$276,900	20%

Head of Household (HOH)	Marginal Tax Rates
\$0–\$15,700	10%
\$15,701–\$59,850	12%
\$59,851–\$95,350	22%
\$95,351–\$182,100	24%
\$182,101–\$231,250	32%
\$231,251–\$578,100	35%
over \$578,100	37%
Capital gains/qualified dividends	
\$0–\$59,750	0%
\$59,751–\$523,050	15%
over \$523,050	20%

Estates and Trusts	Marginal Tax Rates
\$0–\$2,900	10%
\$2,901–\$10,550	24%
\$10,551–\$14,450	35%
over \$14,450	37%
Capital gains/qualified dividends	
\$0–\$3,000	0%
\$3,001–\$14,650	15%
over \$14,650	20%

Corporate Tax Rate 21%

Standard Deduction

Married, joint	\$27,700
Single; married, separate	\$13,850
HOH	\$20,800
Blind or over 65: add \$1,500 if married, \$1,850 if single or HOH	

Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000 for 1st and 2nd homes
No deduction for home equity indebtedness

State and Local Tax Deduction Limit

State and local income and property tax deduction \$10,000

Alternative Minimum Tax Exemption Amount

Married, joint	\$126,500
Single, HOH	\$81,300
Married, separate	\$63,250

IRA and Pension Plan Limits

IRA contribution	
Under age 50	\$6,500
Age 50 and over	\$7,500

Phaseout for deducting IRA contribution¹

Married, joint	\$116,000–\$136,000 MAGI
Single, HOH	\$73,000–\$83,000 MAGI
Married, separate	\$0–\$10,000 MAGI

Phaseout for deducting spousal IRA¹
\$218,000–\$228,000 MAGI

Phaseout of Roth contribution eligibility

Married, joint	\$218,000–\$228,000 MAGI
Single, HOH	\$138,000–\$153,000 MAGI
Married, separate	\$0–\$10,000 MAGI

SEP contribution	
Up to 25% of compensation, limit	\$66,000
Compensation to participate in SEP	\$750
SIMPLE elective deferral	
Under age 50	\$15,500
Age 50 and over	\$19,000

401(k), 403(b)², 457³ and SARSEP elective deferral

Under age 50	\$22,500
Age 50 and over	\$30,000

Annual defined contribution limit \$66,000

Annual defined benefit limit \$265,000

Highly compensated employee \$150,000

Key Employee in top heavy plans \$215,000

Annual compensation taken into account for qualified plans \$330,000

Retirement Tax Credit: A percent tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$73,000 AGI
HOH	Below \$54,750 AGI
Single; married, separate	Below \$36,500 AGI

Maximum qualified longevity annuity contract (QLAC) premium \$155,000
Increased to \$200,000 for contracts purchased or exchanged after 12/28/2022

Gift and Estate Tax

Gift tax annual exclusion	\$17,000
Estate and gift tax rate	40%
Estate tax exemption	\$12,920,000
Lifetime gift exemption	\$12,920,000
GST exemption	\$12,920,000
Annual exclusion for gifts to noncitizen spouse	\$175,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income ⁴	0.9%
Additional tax on Net Investment Income ⁵	3.8%

Health Care

Eligible Long-Term Care	Deduction Limit
Age 40 or less	\$480
Ages 41 to 50	\$890
Ages 51 to 60	\$1,790
Ages 61 to 70	\$4,770
Ages over 70	\$5,960

Per Diem Limitation for LTC Benefits

\$420

199A Qualified Business Income Thresholds

Married, joint	\$364,200
All others	\$182,100

- 1 Applicability depends on the type of IRA, which persons participate in an employer-sponsored plan, the type of employer-sponsored plan offered, and MAGI.
- 2 Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- 3 In last 3 years prior to year of retirement, 457(b) plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch up.
- 4 Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%.
- 5 Including interest, dividends, capital gains and annuity distributions.



Contact Us

We provide comprehensive wealth management by bringing together your financial, tax, and estate plans.

(801) CPA-HELP (801) 272-4357
Info@WealthCPAs.com

Learn more at WealthCPAs.com

WEALTH MANAGEMENT CPAs 2023 TAX REFERENCE GUIDE

Education

Coverdell Education Savings Account	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000–\$220,000
All others	\$95,000–\$110,000

Student loan interest deduction limit	\$2,500
Interest deduction is phased out	
Married, joint	\$155,000–\$185,000 MAGI
All others	\$75,000–\$90,000 MAGI

Phaseout of Lifetime Learning Credits	
Married, joint	\$160,000–\$180,000
All others	\$80,000–\$90,000

Tax-free savings bonds interest phased out	
Married, joint	\$137,800–\$167,800 MAGI
All others	\$91,850–\$106,850 MAGI

Social Security ⁶

Maximum taxable earnings base	\$160,200
Amount Needed to Earn	
One Credit	\$1,640

Amount Needed to Earn	
Four Credits	\$6,560

Social Security and Medicare Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%

Maximum Monthly Retirement Benefit at Full Retirement Age ⁷	\$3,627
Cost of Living Adjustment	8.7%

Income ⁸ (in retirement) causing Social Security benefits to be taxable	
Married, joint	

Up to 50% taxable	\$32,000 MAGI
Up to 85% taxable	\$44,000 MAGI
Single	

Up to 50% taxable	\$25,000 MAGI
Up to 85% taxable	\$34,000 MAGI

Reduction of Social Security retirement benefits:

In years prior to full retirement age, \$1 in benefits will be reduced for every \$2 of earnings in excess of \$21,240. In the year of full retirement age, \$1 in benefits will be reduced for every \$3 of earnings in excess of \$56,520 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

Average Monthly Benefit (December 2021)

Average Monthly Retirement Benefit	
Men	\$1,838
Women	\$1,484

Average Monthly Survivor Benefit	
Men	\$1,492
Women	\$1,224

Source: Fast Facts and Figures about Social Security, 2022

⁶ Source: www.ssa.gov/news/cola, 12/8/22.

⁷ In 2023, for those turning age 62, full retirement age is 67 years.

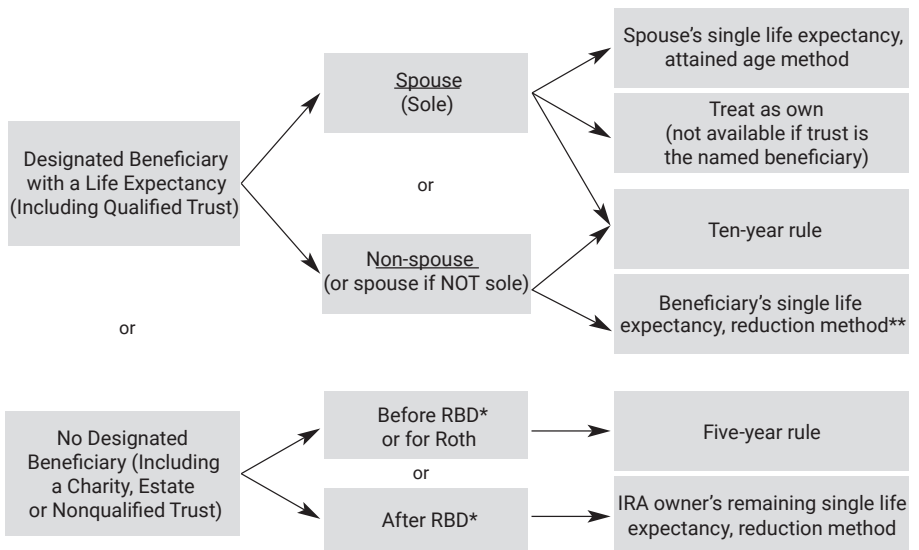
⁸ Income is most income including muni bond interest but only 1/2 of Social Security.

Uniform Lifetime Table

Use to calculate Required Minimum Distributions* from IRAs and qualified plans during owner's life. If owner has spousal beneficiary more than 10 years younger, use instead Joint Life Table from IRS Pub. 590.

Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
72	27.4	95	8.9
73	26.5	96	8.4
74	25.5	97	7.8
75	24.6	98	7.3
76	23.7	99	6.8
77	22.9	100	6.4
78	22.0	101	6.0
79	21.1	102	5.6
80	20.2	103	5.2
81	19.4	104	4.9
82	18.5	105	4.6
83	17.7	106	4.3
84	16.8	107	4.1
85	16.0	108	3.9
86	15.2	109	3.7
87	14.4	110	3.5
88	13.7	111	3.4
89	12.9	112	3.3
90	12.2	113	3.1
91	11.5	114	3.0
92	10.8	115	2.9
93	10.1	116	2.8
94	9.5	117	2.7

IRA Beneficiary Options



*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA owner reaches age 72; age 73 if attain age 72 after 2022).

**Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child's age of majority), disabled, chronically ill or not more than 10 years younger than the deceased IRA



All content on this sheet is for informational purposes only and subject to legislative changes. It is not intended to provide any tax or legal advice or provide the basis for any financial decisions. Please consult a qualified professional for assistance with any tax or legal issue to review the implications. Opinions expressed herein are solely those of Wealth Management CPAs, LLC and our editorial staff. Material presented is believed to be from reliable sources; however, we make no representations as to its accuracy or completeness. Advisory services are offered through Wealth Management CPAs, LLC, an SEC investment advisor. Tax services are offered through Wealth Management Tax Solutions, LLC, an affiliated company. Information contained herein is current as of 12/30/22, general in nature, for informational purposes only, subject to legislative changes and is not intended to be legal or tax advice.