



2023 Advanced tax planning & support

Current as of Nov. 4, 2022



Long-term capital gains and qualified dividends tax

2022 taxpayers with taxable income in the specified ranges*

	0%	15%	20%
MFJ/SS	\$0 – \$83,350	\$83,351 – \$517,200	Over \$517,200
MFS	\$0 – \$41,675	\$41,676 – \$258,600	Over \$258,600
HOH	\$0 – \$55,800	\$55,801 – \$488,500	Over \$488,500
Single	\$0 – \$41,675	\$41,676 – \$459,750	Over \$459,750
E&T	\$0 – \$2,800	\$2,801 – \$13,700	Over \$13,700

2023 taxpayers with taxable income in the specified ranges*

	0%	15%	20%
MFJ/SS	\$0 – \$89,250	\$89,251 – \$553,850	Over \$553,850
MFS	\$0 – \$44,625	\$44,626 – \$276,900	Over \$276,900
HOH	\$0 – \$59,750	\$59,751 – \$523,050	Over \$523,050
Single	\$0 – \$44,625	\$44,626 – \$492,300	Over \$492,300
E&T	\$0 – \$3,000	\$3,001 – \$14,650	Over \$14,650

Short-term gain taxed at ordinary rates.

* Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, \$200,000 for all other taxpayers)

IRAs

Traditional and Roth IRA Contribution Limits

	2022	2023
Under age 50 at year end	\$6,000.00	\$6,500.00
50 or older at year end	\$7,000.00	\$7,500.00

Modified Adjusted Gross Income (MAGI) Phaseout Ranges for Roth IRA Contributions

	2022	2023
Married Filing Jointly (MFJ)	\$204,000.00 - \$214,000.00	\$218,000.00 - \$228,000.00
Single, Head of Household (HOH)	\$129,000.00 - \$144,000.00	\$138,000.00 - \$153,000.00
Married Filing Separate* (MFS)	\$0 - \$9,999.00	\$0 - \$9,999.00

*Shared residence

Traditional IRA Deductibility Rules

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI: MAGI 2022	Modified AGI: MAGI 2023	Deductibility
Single, HOH	No	Any amount	Any amount	Full
	Yes	\$68,000 or less \$68,001 - \$77,999 \$78,000 or more	\$73,000 or less \$73,001 - \$83,000 \$83,001 or more	Full Partial None
MFJ	Neither Spouse	Any amount	Any amount	Full
	Both spouses	\$109,000 or less \$109,001 - \$128,999 \$129,000 or more	\$116,000 or less \$116,001 - \$136,000 \$136,001 or more	Full Partial None
	One Spouse (covered spouse)	\$204,000 or less \$204,001 - \$213,999 \$214,000 or more	\$218,000 or less \$218,001 - \$227,999 \$228,000 or more	Full Partial None
	One Spouse (non-covered spouse)	Any amount	Any amount	Full
MFS*	Neither Spouse	Any amount	Any amount	Full
	Either Spouse	Less than \$10,000 \$10,000 or more	Less than \$10,000 \$10,000 or more	Partial None

* Shared residence

Education incentive limits and MAGI phaseouts

		Benefit limit	MAGI phaseout 2022	MAGI phaseout 2023
Coverdell Education Savings Account contributions	MFJ	Up to \$2,000 per student	\$190,001 – \$219,999	\$190,001 – \$219,999
	Others		\$95,001 – \$109,999	\$95,001 – \$109,999
Qualified Tuition Program (Section 529 Plan) contributions	All filers	Set by plan	None	None
American Opportunity Credit (first four years of higher education)	MFJ	Up to \$2,500 per student	\$160,001 – \$179,999	\$160,001 – \$179,999
	Single, HOH*		\$80,001 – \$89,999	\$80,001 – \$89,999
Lifetime Learning Credit	MFJ	Up to \$2,000 per return	\$160,001 – \$179,999	\$160,001 – \$179,999
	Single, HOH*		\$80,001 – \$89,999	\$80,001 – \$89,999
U.S. savings bond income exclusion	MFJ	Interest on redeemed bonds is tax-free	\$128,651 – \$158,649	\$137,801 – \$167,799
	Single, HOH*		\$85,801 – \$100,799	\$91,851 – \$106,849
Student loan interest deduction	MFJ	Up to \$2,500 (above the line)	\$145,001 – \$174,999	\$155,001 – \$184,999
	Single, HOH*		\$70,001 – \$84,999	\$75,001 – \$89,999
Higher education tuition and fees deduction	MFJ	Up to \$4,000 per student	Deduction not available in 2022**	Deduction not available in 2023**
	Single, HOH*	Up to \$4,000 per student	Deduction not available in 2022**	Deduction not available in 2023**

* MFS not eligible ** Absent legislation

AMT rates for individuals

AMTI threshold			
	2022	2023	AMT Rate
Single, MFJ, HOH	\$0 – \$206,100	\$0 – \$220,700	26%
	\$206,101 or more	\$220,701 or more	28%
MFS	\$0 – \$103,050	\$0 – \$110,350	26%
	\$103,051 or more	\$110,351 or more	28%

AMT exemption		
	2022	2023
Single/HOH	\$75,900	\$81,300
MFJ	\$118,100	\$126,500
MFS	\$59,050	\$63,250

Health Savings Accounts (HSAs)

Annual contribution limits	2022	2023
Individual	\$3,650	\$3,850
Family	\$7,300	\$7,750
Age 55 or older, add catch-up contribution	\$1,000	\$1,000

Estate, gift and GST taxes

	2022	2023
Gift tax annual exclusion	\$16,000	\$17,000
Estate and gift tax exclusion	\$12,060,000*	\$12,920,000*
GST tax exemption	\$12,060,000	\$12,920,000

Maximum estate, gift and GST tax rate: 40% in 2022 and 2023

* Plus the deceased spousal unused exclusion amount, if applicable

Elite Wealth Management believes in working collaboratively as a team to assist mutual clients with financial and tax challenges.

Social Security

Base provisional income amounts for benefit taxation		
	Taxable up to 50%	Taxable up to 85%
MFJ	\$32,000	\$44,000
Single, HOH, MFS (lived apart)	\$25,000	\$34,000
MFS (shared residence)	N/A	N/A
	2022	2023
Maximum earnings before benefits are reduced		
Under full retirement age (FRA) (lose \$1 for every \$2 over limit)	\$19,560	\$21,240
Year FRA reached — months to FRA only (lose \$1 for every \$3 over limit)	\$51,960	\$56,520
Month FRA reached and later	No limit	No limit
Maximum compensation subject to FICA		
Social Security tax	\$147,000	\$160,200
Medicare tax	No limit	No limit

- 2022 & 2023 Social Security tax rate: 12.4% self-employed; 6.2% employees
- 2022 & 2023 Medicare tax rate: 2.9% self-employed; 1.45% employees. Additional 0.9% tax on earned income exceeding \$200,000 (Single/HOH); \$250,000 (MFJ); \$125,000 (MFS)

Credits and exclusions

Foreign income		
	2022	2023
Foreign earned income exclusion	\$112,000	\$120,000
Maximum foreign housing exclusion of qualified housing expenses	\$15,680 (\$33,600–\$17,920)	\$16,800 (\$36,000–\$19,200)

Flexible Spending Arrangements (FSAs)

	2022	2023
Contribution limitation*	\$2,850	\$3,050

* Voluntary employee salary reduction for contribution to health FSAs

Adoption credit

	2022	2023
Credit amount/limit on exclusion amount	\$14,890	\$15,950
Adoption credit phaseout		
Phaseout begins (MAGI for all taxpayers)	\$223,411	\$239,231
Phaseout ends (MAGI for all taxpayers)	\$263,409	\$279,229

Corporate income tax

2022 – 2023
<u>21% flat rate</u>

Income taxes

2022 tax				
If taxable income is:	Over	But not more than	The tax is	Of the amount over
MFJ	\$0	\$20,550	\$0.00 + 10%	\$0
	20,550	83,550	2,055.00 + 12%	20,550
	83,550	178,150	9,615.00 + 22%	83,550
	178,150	340,100	30,427.00 + 24%	178,150
	340,100	431,900	69,295.00 + 32%	340,100
	431,900	647,850	98,671.00 + 35%	431,900
	647,850		174,253.50 + 37%	647,850
MFS	\$0	\$10,275	\$0.00 + 10%	\$0
	10,275	41,775	1,027.50 + 12%	10,275
	41,775	89,075	4,807.50 + 22%	41,775
	89,075	170,050	15,213.50 + 24%	89,075
	170,050	215,950	34,647.50 + 32%	170,050
	215,950	323,925	49,335.50 + 35%	215,950
	323,925		87,126.75 + 37%	323,925
Head of Household	\$0	\$14,650	\$0.00 + 10%	\$0
	14,650	55,900	1,465.00 + 12%	14,650
	55,900	89,050	6,415.00 + 22%	55,900
	89,050	170,050	13,708.00 + 24%	89,050
	170,050	215,950	33,148.00 + 32%	170,050
	215,950	539,900	47,836.00 + 35%	215,950
	539,900		161,218.50 + 37%	539,900
Single	\$0	\$10,275	\$0.00 + 10%	\$0
	10,275	41,775	1,027.50 + 12%	10,275
	41,775	89,075	4,807.50 + 22%	41,775
	89,075	170,050	15,213.50 + 24%	89,075
	170,050	215,950	34,647.50 + 32%	170,050
	215,950	539,900	49,335.50 + 35%	215,950
	539,900		162,718.00 + 37%	539,900
Estates & Trusts	\$0	\$2,750	\$0.00 + 10%	\$0
	2,750	9,850	275.00 + 24%	2,750
	9,850	13,450	1,979.00 + 35%	9,850
	13,450		3,239.00 + 37%	13,450

2023 tax				
If taxable income is:	Over	But not more than	The tax is	Of the amount over
MFJ	\$0	\$22,000	\$0.00 + 10%	\$0
	22,000	89,450	2,200.00 + 12%	22,000
	89,450	190,750	10,294.00 + 22%	89,450
	190,750	364,200	32,580.00 + 24%	190,750
	364,200	462,500	74,208.00 + 32%	364,200
	462,500	693,750	105,664.00 + 35%	462,500
	693,750		186,601.50 + 37%	693,750
MFS	\$0	\$11,000	\$0.00 + 10%	\$0
	11,000	44,725	1,100.00 + 12%	11,000
	44,725	95,375	5,147.00 + 22%	44,725
	95,375	182,100	16,290.00 + 24%	95,375
	182,100	231,250	37,104.00 + 32%	182,100
	231,250	346,875	52,832.00 + 35%	231,250
	346,875		93,300.75 + 37%	346,875
Head of Household	\$0	\$15,700	\$0.00 + 10%	\$0
	15,700	59,850	1,570.00 + 12%	15,700
	59,850	95,350	6,868.00 + 22%	59,850
	95,350	182,100	14,678.00 + 24%	95,350
	182,100	231,250	35,498.00 + 32%	182,100
	231,250	578,100	51,226.00 + 35%	231,250
	578,100		172,623.50 + 37%	578,100
Single	\$0	\$11,000	\$0.00 + 10%	\$0
	11,000	44,725	1,100.00 + 12%	11,000
	44,725	95,375	5,147.00 + 22%	44,725
	95,375	182,100	16,290.00 + 24%	95,375
	182,100	231,250	37,104.00 + 32%	182,100
	231,250	578,125	52,832.00 + 35%	231,250
	578,125		174,238.25 + 37%	578,125
Estates & Trusts	\$0	\$2,900	\$0.00 + 10%	\$0
	2,900	10,550	290.00 + 24%	2,900
	10,550	14,450	2,126.00 + 35%	10,550
	14,450		3,491.00 + 37%	14,450

Child tax credit				
	Refundable/ Total credit	Phaseout begins at MAGI of:		
		MFJ	Single, MFS	HOH
2022	\$1,500/\$2,000	\$400,000	\$200,000	\$200,000
2023	\$1,600/\$2,000	\$400,000	\$200,000	\$200,000

Kiddie tax			
	First	Next	Amounts over
2022	\$1,150	\$1,150	\$2,300
	No tax	Taxed at child's marginal rate	Taxed at parent's marginal rate
2023	\$1,250	\$1,250	\$2,500
	No tax	Taxed at child's marginal rate	Taxed at parent's marginal rate

Qualified business income deduction phase-in thresholds		
	Taxable income phase-in 2022	Taxable income phase-in 2023
MFJ	\$340,100 – \$440,100	\$364,200 – \$464,200
MFS	\$170,050 – \$220,050	\$182,100 – \$232,100
All others	\$170,050 – \$220,050	\$182,100 – \$232,100

Standard deductions			
	MFJ	MFS, Single	HOH
2022	\$25,900	\$12,950	\$19,400
2023	\$27,700	\$13,850	\$20,800

Age 65 and older or blind, add for each:

- MFJ, MFS: \$1,400 (2022); \$1,500 (2023)
- Single, HOH: \$1,750 (2022); \$1,850 (2023)