

2023 Federal Tax Key Facts and Figures

Lynn Polley-Hoffman VP

904-962-0844

Lynn.Hoffman@raymondjames.com

INCOME TAXES

2022			
If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over
Married Filing Jointly:			
\$0	\$20,550	\$0 + 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
Married Filing Separately:			
\$0	\$10,275	\$0 + 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 + 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 + 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 and Trusts:			
\$0	\$2,750	\$0 + 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			
If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over
Married Filing Jointly:			
\$0	\$22,000	\$0 + 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
Married Filing Separately:			
\$0	\$11,000	\$0 + 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 + 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 + 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 and Trusts:			
\$0	\$2,900	\$0 + 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

OTHER TAX RATES

Long-Term Capital Gains and Qualified Dividends Tax Rates for Taxpayers with Taxable Income in the Specified Ranges*			
2022	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	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, and \$200,000 for all other taxpayers).

Kiddie Tax

- Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$11,500 in 2022 or \$12,500 in 2023 – use Form 8814 with parent's return.
- If child files own return – use Form 8615 with child's return to calculate tax at parent's marginal rate.

	2022	2023	
First	\$1,150	\$1,250	No Tax
Next	\$1,150	\$1,250	Taxed at child's marginal rate
Amount Over	\$2,300	\$2,500	Taxed at parent's marginal rate

AMT Rates for Individuals

	AMTI Threshold	AMT Rate
	2022	2023
Single, MFJ, HoH	\$0 - \$206,100	\$0 - \$220,700
	\$206,101 or more	\$220,701 or more
MFS	\$0 - \$103,050	\$0 - \$110,350
	\$103,051 or more	\$110,351 or more
AMT Exemption		
	2022	2023
Single, HoH	\$75,900	\$81,300
MFJ, SS	\$118,100	\$126,500
MFS	\$59,050	\$63,250

SOCIAL SECURITY

Maximum Compensation Subject to FICA

	2022	2023
OASDI Maximum	\$147,000	\$160,200
HI Maximum	No Limit	No Limit

- OASDI tax rate – 2022 & 2023: 12.4% self-employed, 6.2% employees
- HI tax rate* – 2022 & 2023: 2.9% self-employed, 1.45% employees

* Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers)

Maximum Amount of Earnings to Still Receive Full Benefits

	2022	2023
Under full retirement age	\$19,560	\$21,240

MAGI Amounts for Benefits to Be Taxable

	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single, HOH, MFS Living Apart	\$25,000	\$34,000

EDUCATION INCENTIVES

Tuition Deduction – “Above-the-line” deduction for qualified tuition and related expenses repealed for tax years after 2020.

Student Loan Interest Deduction – “Above-the-line” deduction up to \$2,500 (2022 and 2023); no time limit on deductibility period; subject to income limitations.

Education Credits – American Opportunity Credit is up to \$2,500 in 2022 and 2023 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid up to \$2,000 per return for 2022 and 2023. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.

Section 529 Plans (Qualified Tuition Programs) – Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$16,000 for 2022; \$17,000 for 2023). Donor can elect to treat up to \$80,000 of the contribution in 2022 (\$85,000 in 2023) as if it had been made ratably over a 5-year period.

Coverdell Education Savings Accounts (Education IRAs) – Contribution limit is \$2,000 in 2022 and 2023; subject to income limitations.

DEDUCTIONS

Standard Deduction

	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2022	\$25,900	\$1,400
	2023	\$27,700	\$1,500
Married Filing Separately	2022	\$12,950	\$1,400
	2023	\$13,850	\$1,500
Head of Household	2022	\$19,400	\$1,750
	2023	\$20,800	\$1,850
Single	2022	\$12,950	\$1,750
	2023	\$13,850	\$1,850

Phaseout of Itemized Deductions Does Not Apply in 2022 or 2023

Code Sec. 179 Expense Allowance

	2022	2023
Dollar limitation	\$1,080,000	\$1,160,000
Investment limitation	\$2,700,000	\$2,890,000

Qualified Business Income Deduction Phase-In Thresholds

	Taxable Income Phase-In	
	2022	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

ESTATE & GIFT TAXES

	2022	2023
Annual Gift Tax Exclusion	\$16,000	\$17,000
for Noncitizen Spouses	\$164,000	\$175,000
Estate Tax Exclusion	\$12,060,000	\$12,920,000
Applicable Credit	\$4,769,800	\$5,113,800
Gift Tax Exclusion	\$12,060,000	\$12,920,000
Generation-Skipping Transfer Tax Exemption	\$12,060,000	\$12,920,000

CREDITS & EXCLUSIONS

Child Tax Credit

	2022	2023
Credit Amount	\$2,000	\$2,000
Refundable Amount	\$1,500	\$1,600
\$2,000 credit amount for 2022 and 2023 phases out \$50 for every \$1,000 AGI over \$400,000 (MFJ), \$200,000 (all others)		

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)

INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:

- 90% of current tax,
- 100% of prior year's tax, or
- 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
 - Annualization exception
 - No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year

IRAS

Contribution Limits - Traditional and Roth

	2022	2023
Regular	\$6,000	\$6,500
Catch-up*	\$1,000	\$1,000

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

Roth IRAs

MAGI Phaseout Ranges for Contributions to Roth IRAs	2022	2023
Married Filing Jointly	\$204,000 - \$214,000	\$218,000 - \$228,000
Single, Head of Household	\$129,000 - \$144,000	\$138,000 - \$153,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000

Traditional IRA Deductibility Rules

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2022	2023	
Single, HoH	No	Any amount	Any amount	Full deduction
	Yes	\$68,000 or less \$68,001 - \$77,999 \$78,000 or more	\$73,000 or less \$73,001 - \$82,999 \$83,000 or more	Full deduction Partial deduction No deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$109,000 or less \$109,001 - \$128,999 \$129,000 or more	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for covered spouse	\$109,000 or less \$109,001 - \$128,999 \$129,000 or more	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for non-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 deduction Partial deduction No deduction
Married Filing Separately, lived together for any part of the year (if spouses lived separately throughout year, treated as Single)	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction

QUALIFIED PLANS

	2022	2023
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b))	\$20,500	\$22,500
Maximum elective deferral to SIMPLE IRAs	\$14,000	\$15,500
Maximum elective deferral to 457 plans or exempt employers	\$20,500	\$22,500
Limit on annual additions to Keogh plans and SEP-IRAs	\$61,000	\$66,000
Limit on annual additions to defined contribution plans	\$61,000	\$66,000
Maximum annual compensation taken into account for contributions	\$305,000	\$330,000
Annual benefit limit under defined benefit plans	\$245,000	\$265,000
Threshold amount for definition of highly compensated employee	\$135,000	\$150,000
Threshold amount for definition of key employee in top-heavy plans	\$200,000	\$215,000

Catch-up Contribution Limits*

401(k), 403(b), SARSEP and 457 plans	\$6,500	\$7,500
SIMPLE plans	\$3,000	\$3,500

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

