

# 2023 Federal Tax Key Facts and Figures

## INCOME TAXES

| 2022                              |                   |                  |                    |
|-----------------------------------|-------------------|------------------|--------------------|
| If Taxable Income Is:             |                   |                  |                    |
| Over                              | But Not More Than | The Tax Is       | Of the Amount Over |
| <b>Married Filing Jointly:</b>    |                   |                  |                    |
| \$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            |
| <b>Married Filing Separately:</b> |                   |                  |                    |
| \$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            |
| <b>Head of Household:</b>         |                   |                  |                    |
| \$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            |
| <b>Single:</b>                    |                   |                  |                    |
| \$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            |
| <b>Estates and Trusts:</b>        |                   |                  |                    |
| \$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 |
| <b>Married Filing Jointly:</b>    |                   |                  |                    |
| \$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            |
| <b>Married Filing Separately:</b> |                   |                  |                    |
| \$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            |
| <b>Head of Household:</b>         |                   |                  |                    |
| \$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            |
| <b>Single:</b>                    |                   |                  |                    |
| \$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            |
| <b>Estates and Trusts</b>         |                   |                  |                    |
| \$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   | 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, 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/<br>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<br>(\$33,600 - \$17,920) | \$16,800<br>(\$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<br>\$68,001 - \$77,999<br>\$78,000 or more     | \$73,000 or less<br>\$73,001 - \$82,999<br>\$83,000 or more     | Full deduction<br>Partial deduction<br>No deduction |
| Married Filing Jointly  | Neither spouse                             | Any amount  | Any amount  | Full deduction                                      |
|   | Both spouses covered                       | \$109,000 or less<br>\$109,001 - \$128,999<br>\$129,000 or more | \$116,000 or less<br>\$116,001 - \$135,999<br>\$136,000 or more | Full deduction<br>Partial deduction<br>No deduction |
|   | One spouse covered: for covered spouse     | \$109,000 or less<br>\$109,001 - \$128,999<br>\$129,000 or more | \$116,000 or less<br>\$116,001 - \$135,999<br>\$136,000 or more | Full deduction<br>Partial deduction<br>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<br>\$10,000 or more                             | \$9,999 or less<br>\$10,000 or more                             | Partial deduction<br>No deduction                   |
|   | One spouse covered: for covered spouse     | \$9,999 or less<br>\$10,000 or more                             | \$9,999 or less<br>\$10,000 or more                             | Partial deduction<br>No deduction                   |
|   | One spouse covered: for non-covered spouse | \$9,999 or less<br>\$10,000 or more                             | \$9,999 or less<br>\$10,000 or more                             | Partial deduction<br>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.

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