

# 2018 Tax Planning Card

| 2017 TAX BRACKETS and QUICK CALCULATIONS   |   | 2018 TAX BRACKETS and QUICK CALCULATIONS  |   |
|--|---|---|---|
| Single   |   | Single  |   |
| Taxable Income (\$)  | The Tax Is:                               | Taxable Income (\$)   | The Tax Is:                             |
| Not Over 9,325   | 10% of the Taxable Income                 | Not Over 9,525  | 10% of the Taxable Income               |
| >9,325 not over 37,950   | 932.50 + 15% of excess over 9,325         | >9,525 not over 38,700  | 952.50 + 12% of excess over 9,525       |
| >37,950 not over 91,900  | 5,226.25 + 25% of excess over 37,950      | >38,700 not over 82,500   | 4,453.50 + 22% of excess over 38,700    |
| >91,900 not over 191,650   | 18,713.75 + 28% of excess over 91,900     | >82,500 not over 157,500  | 14,089.50 + 24% of excess over 82,500   |
| >191,650 not over 416,700  | 46,643.75 + 33% of excess over 191,650    | >157,500 not over 200,000   | 32,089.50 + 32% of excess over 157,500  |
| >416,700 not over 418,400  | 120,910.25 + 35% of excess over 416,700   | >200,000 not over 500,000   | 45,689.50 + 35% of excess over 200,000  |
| Over 418,400   | 121,505.25 + 39.6% of excess over 418,400 | Over 500,000,   | 150,689.50 + 37% of excess over 500,000 |
| Married Filing Jointly or Qualifying Widow(er)   |   |   |   |
| Taxable Income (\$)  | The Tax Is:                               | Taxable Income (\$)   | The Tax Is:                             |
| Not Over 18,650  | 10% of the Taxable Income                 | Not Over 19,050   | 10% of the Taxable Income               |
| >18,650 not over 75,900  | 1,865.00 + 15% of excess over 18,650      | >19,050 not over 77,400   | 1,905.00 + 12% of excess over 19,050    |
| >75,900 not over 153,100   | 10,452.50 + 25% of excess over 75,900     | >77,400 not over 165,000  | 8,907.00 + 22% of excess over 77,400    |
| >153,100 not over 233,350  | 29,752.50 + 28% of excess over 153,100    | >165,000 not over 315,000   | 28,179.00 + 24% of excess over 165,000  |
| >233,350 not over 416,700  | 52,222.50 + 33% of excess over 233,350    | >315,000 not over 400,000   | 64,179.00 + 32% of excess over 315,000  |
| >416,700 not over 470,700  | 112,728.00 + 35% of excess over 416,700   | >400,000 not over 600,000   | 91,379.00 + 35% of excess over 400,000  |
| Over 470,700   | 131,628.00 + 39.6% of excess over 470,700 | Over 600,000  | 161,379.00 + 37% of excess over 600,000 |
| Head of Household  |   |   |   |
| Taxable Income (\$)  | The Tax Is:                               | Taxable Income (\$)   | The Tax Is:                             |
| Not Over 13,350  | 10% of the Taxable Income                 | Not Over 13,600   | 10% of the Taxable Income               |
| >13,350 not over 50,800  | 1,335.00 + 15% of excess over 13,350      | >13,600 not over 51,800   | 1,360.00 + 12% of excess over 13,600    |
| >50,800 not over 131,200   | 6,952.50 + 25% of excess over 50,800      | >51,800 not over 82,500   | 5,944.00 + 22% of excess over 51,850    |
| >131,200 not over 212,500  | 27,052.50 + 28% of excess over 131,200    | >82,500 not over 157,500  | 12,698.00 + 24% of excess over 82,500   |
| >212,500 not over 416,700  | 49,816.50 + 33% of excess over 212,500    | >157,500 not over 200,000   | 30,698.00 + 32% of excess over 157,500  |
| >416,700 not over 444,500  | 117,202.50 + 35% of excess over 416,700   | >200,000 not over 500,000   | 44,298.00 + 35% of excess over 200,000  |
| Over 444,500   | 126,950.00 + 39.6% of excess over 444,500 | Over 500,000  | 149,298.00 + 37% of excess over 500,000 |
| Married Filing Separately  |   |   |   |
| Taxable Income (\$)  | The Tax Is:                               | Taxable Income (\$)   | The Tax Is:                             |
| Not Over 9,325   | 10% of the Taxable Income                 | Not Over 9,525  | 10% of the Taxable Income               |
| >9,325 not over 37,950   | 932.50 + 15% of excess over 9,325         | >9,525 not over 38,700  | 952.50 + 12% of excess over 9,525       |
| >37,950 not over 76,550  | 5,226.25 + 25% of excess over 37,950      | >38,700 not over 82,500   | 4,453.50 + 22% of excess over 38,700    |
| >76,550 not over 116,675   | 14,876.25 + 28% of excess over 76,550     | >82,500 not over 157,500  | 14,089.50 + 24% of excess over 82,500   |
| >116,675 not over 208,350  | 26,111.25 + 33% of excess over 116,675    | >157,500 not over 200,000   | 32,089.50 + 32% of excess over 157,500  |
| >208,350 not over 235,350  | 56,364.00 + 35% of excess over 208,350    | >200,000 not over 300,000   | 45,689.50 + 35% of excess over 200,000  |
| Over 235,350   | 65,814.00 + 39.6% of excess over 235,350  | Over 300,000  | 80,689.50 + 37% of excess over 300,000  |
| Calculations of Taxable Income   |   |   |   |
| To determine taxable income, please follow these steps:  |   | 4. Subtract the larger of the standard deduction or your itemized deductions. <a href="#">(Line 40)</a>                   |   |
| 1. List your total income. <a href="#">(U.S. Form 1040, Line 22)</a>   |   | 5. Subtract your deduction for personal exemptions. <a href="#">(Line 42)</a> <b>(Not applicable for 2018 and beyond)</b> |   |
| 2. Subtract adjustments to income, such as allowable IRA and retirement plan deductions, alimony paid and one-half of self-employment tax. <a href="#">(Line 36)</a>   |   | 6. Arrive at taxable income. <a href="#">(Line 43)</a>  |   |
| 3. You now have your adjusted gross income (AGI). <a href="#">(Line 37)</a>  |   | 7. Determine tax from the appropriate table above.  |   |
|  |   | 8. Make adjustments for dividends and capital gains.  |   |
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# 2018 Tax Planning Card

| How to Compute Your Federal Income Tax  |                                       |                                   | 2018 Standard Deduction  |  |                                |  |
|---|---------------------------------------|-----------------------------------|--|--|--------------------------------|--|
| For a married couple with a <b>taxable income of \$90,000</b> , refer to the 2018 MFJ section on the back of this card and calculate as follows:  |                                       |                                   | A Standard Deduction is the amount you may deduct if you do not itemize your deductions.   |  | <b>2018 Standard Deduction</b> | <b>2018 Addition for Age 65 or Blind</b>                               |
| <b>Step 1:</b> \$90,000 - \$77,400 = \$12,600   |                                       |                                   | Married Filing Jointly or Qualifying Widow(er)   | \$24,000   | + \$1,300                      |  |
| <b>Step 2:</b> (\$12,600) * 22% = \$2,772   |                                       |                                   | Single   | \$12,000   | + \$1,600                      |  |
| <b>Step 3:</b> \$8,907 + \$2,772 = \$11,679.00  |                                       |                                   | Head of Household  | \$18,000   | + \$1,600                      |  |
| <b>Result:</b> Federal Income Tax on income of \$90,000 = \$11,679.00   |                                       |                                   | Married Filing Separately  | \$12,000   | + \$1,300                      |  |
| Payroll Taxes   |                                       |                                   | Personal Exemptions  |  |                                |  |
| <b>Federal Payroll Taxes- Employee</b>  | <b>Max Earnings</b>                   | <b>Rate</b>                       | Personal Exemptions are the amounts you may take as a deduction for yourself, your spouse and your qualifying dependents.<br>For 2018, the <b>Personal Exemption deduction is \$0.</b>   |  |                                |  |
| FICA  | \$128,400                             | 6.2%                              |  |  |                                |  |
| Medicare  | No Limit                              | 1.45%                             |  |  |                                |  |
| Additional Medicare   | >\$200,000/\$250,000                  | .9%                               |  |  |                                |  |
| <b>Federal Payroll Taxes- Employer</b>  | <b>Max Earnings</b>                   | <b>Rate</b>                       |  |  |                                |  |
| FICA  | \$128,400                             | 6.2%                              |  |  |                                |  |
| Medicare  | No Limit                              | 1.45%                             |  |  |                                |  |
| FUTA  | \$7,000                               | 0.60%                             |  |  |                                |  |
| 3.8% Net Investment Income Tax  |                                       |                                   | Itemized Deduction Limitation  |  |                                |  |
| The NIIT applies at a rate of 3.8% to certain net investment income of individuals, estates and trusts who meet the threshold amounts. Investment income may include interest, dividends, capital gains, rental and royalty income, NQ annuities, and passive activities. NIIT is based on the lesser of the amount of MAGI over the threshold or actual net investment income. |                                       |                                   | <b>REPEALED</b>  |  |                                |  |
| <b>Filing Status</b>  |                                       | <b>Threshold Amount</b>           |  |  |                                |  |
| Married Filing Jointly  |                                       | \$250,000                         |  |  |                                |  |
| Single, Head of Household   |                                       | \$200,000                         |  |  |                                |  |
| Married Filing Separately   |                                       | \$125,000                         |  |  |                                |  |
| AMT Exemption Amount  |                                       | 529 Plan Contributions            |  | American Opportunity and Lifetime Learning Credits   |                                |  |
| <b>Filing Status</b>  | <b>Exemption Amount</b>               | Per Year Before Gift Tax          | \$15,000   | <b>American Opportunity (Hope Scholarship)</b>   |                                | <b>Lifetime Learning</b>   |
| Married Filing Jointly  | \$109,400                             | Accelerate 5 Years                | \$75,000   | Max Credit : <b>\$2,500</b>  |                                |  |
| Single/HCH  | \$70,300                              | Accelerated Per Couple            | \$150,000  | Income Phaseout begins at MAGI of \$160,000 Joint/ \$80,000 All Others   |                                | Max Credit : <b>\$2,000</b>  |
| Married Filing Separately   | \$54,700                              | <b>Coverdell Education</b>        |  |  |                                | Income Phaseout begins at MAGI of \$114,000 Joint/ \$57,000 All Others |
| Estates/Trusts  | \$24,600                              | Maximum Contribution              | \$2,000  |  |                                |  |
|   |                                       | Income Phaseout Begins at MAGI of | \$220,000 Joint/ \$110,000 All Others  |  |                                |  |
| Federal Estate and Gift Taxes   |                                       |                                   | Long Term Capital Gains and Qualified Dividend Rates   |  |                                |  |
| For gifts made in 2018, the Gift Tax is computed using a rate schedule having a top tax rate of 39.6% and an applicable exclusion amount of \$11.2 million.   |                                       |                                   | Capital gains taxation has not changed significantly under the new tax legislation. However, the tax rates do not necessarily follow particular tax brackets as they have in the past, but rather they are set at certain income limits. The long-term rates are still the same at 0%, 15%, and 20%. |  |                                |  |
| Gift Tax Annual Exclusion   | \$15,000                              | <b>Single</b>                     | <b>Married Filing Joint</b>  | <b>Head of Household</b>   | <b>Married Filing Separate</b> |  |
| Highest Estate / Gift Tax Rate  | 40.0%                                 | <b>0%</b> Up to \$38,600          | Up to \$77,200   | Up to \$51,700   | Up to \$38,600                 |  |
| Estate and Gift Tax Exemption   | \$11.2 million                        | <b>15%</b> \$38,600 - \$425,800   | \$77,200 - \$479,000   | \$51,700 - \$452,400   | \$38,600 - \$239,500           |  |
|   |                                       | <b>20%</b> Over \$425,800         | Over \$479,000   | Over \$452,400   | Over \$239,500                 |  |
| Taxation of Social Security Benefits  |                                       |                                   | IRA Distributions to Charity   |  |                                |  |
| <b>Married Filing Joint</b>   | <b>Single, HOH, MFS living apart*</b> |                                   |  | The tax extender bill passed allowing tax-free distributions from IRAs to public charities by individuals age 70.5 and older, up to \$100,000 per taxpayer, per year is permanent. |                                |  |
| If income is:   | If income is:                         | Taxable amount is:                |  |  |                                |  |
| < \$32,000  | < \$25,000                            | 0%                                |  |  |                                |  |
| \$32,000-44,000   | \$25,000-34,000                       | Up to 50%                         |  |  |                                |  |
| > \$44,000  | > \$34,000                            | Up to 85%                         |  |  |                                |  |
| *Married Filing Separate, living with spouse, up to 85% of Social Security income is subject to taxation.   |                                       |                                   |  |  |                                |  |