

## Federal income tax rates applicable to taxable income

Tax rate	Single filers	Married filing jointly	Capital gains & dividends	Medicare tax on earned income	Medicare tax on investment income	Limits to itemized deductions
10%	Up to \$9,525	Up to \$19,050	0% [up to \$38,600 (single) / \$77,200 (married)]	2.90% (includes 1.45% employer portion and 1.45% employee portion)	0%	-Medical expenses greater than 7.5% of AGI deductible** -SALT (state and local taxes) deduction capped at \$10,000 -Mortgage interest deduction limited to primary/secondary homes with up to \$750,000 debt; no deduction for home equity debt
12%	\$9,525-\$38,700	\$19,050-\$77,400	15% [up to \$425,800 (single) / \$479,000 (married)]			
22%	\$38,700-\$82,500	\$77,400-\$165,000	20%	3.80% (includes 2.90% tax referenced above plus additional 0.90% tax for earned income above MAGI* \$200,000/\$250,000 threshold)	3.80% (additional tax will be levied on lesser of i) net investment income or ii) excess MAGI above \$200,000/\$250,000 thresholds)	--Cash charitable gifts deductible up to 60% of AGI -Misc. expenses subject to 2% AGI floor repealed
24%	\$82,500-\$157,500	\$165,000-\$315,000				
32%	\$157,500-\$200,000	\$315,000-\$400,000				
35%	\$200,000-\$500,000	\$400,000-\$600,000				
37%	\$500,000 or more	\$600,000 or more				

The personal exemption has been repealed and individual tax rates and personal deductions sunset after 2025 as per the TCJA 2017.

\*Modified adjusted gross income (MAGI) is AGI plus amount excluded from income as foreign earned income, tax-exempt interest and Social Security benefit. \*\*For tax years 2017/2018.

## Top/tax rates for ordinary income, capital gains and dividend income

Type of gain	Maximum rate	Alternative minimum tax (AMT) exemption**
Top rate for ordinary income & non-qualified dividends	37%/40.8%*	Exemption
Short-term capital gains (assets held 12 months or less)	37%/40.8%*	Filing status
Long-term capital gains (assets held more than 12 months) & qualified dividends	20%/23.8%*	Single/Head of Household
		Married filing jointly
		Exemption phase-out range
		\$500,000-\$781,200
		\$1,000,000-\$1,437,600

\*Includes top tax rate plus 3.8% Medicare tax on net investment income beyond MAGI threshold.

\*\*The exemption amount is reduced .25 for every \$1 of AMTI (income) above the threshold amount for the taxpayer's filing status.

## Federal estate, generation-skipping transfer (GST) tax & gift tax exemption

Top federal estate tax rate	40%
Federal estate, GST & gift tax exemption	\$11.21 million per individual/\$22.42 million per couple*
Annual gift tax exclusion	\$15,000 (\$30,000 per couple)

\*Increased levels expire after 2025. Exact exemption amount to be confirmed by IRS.

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