

BUSINESS

Depreciation

36-Month Assets (Straight-Line)

Most software

3-Year Assets (200% DB)

Dies, molds, small tools, certain horses, tractor units

5-Year Assets (200% DB)

Autos, computers, office machinery, taxis, buses, trucks, cattle, private aircraft, appliances, carpeting, furniture

7-Year Assets (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

7-Year Assets (150% DB)

Farm equipment

15-Year Assets (150% DB)

Land improvements, retail fuel outlets, leasehold property, restaurant property

27.5-Year Assets (Straight-Line)

Rental houses, apartments, low-income housing, furnaces, water pipes, venting

39-Year Assets (Straight-Line)

Nonresidential buildings

Personal Property Depreciation

Percent of Original Depreciable Basis under 200% DB

Method

(Not applicable for mid-quarter convention)

| Recovery Year | 3-Year Class | 5-Year Class | 7-Year Class |
|---------------|--------------|--------------|--------------|
| 1 | 33.33 | 20.00 | 14.29 |
| 2 | 44.45 | 32.00 | 24.49 |
| 3 | 14.81 | 19.20 | 17.49 |
| 4 | 7.41 | 11.52 | 12.49 |
| 5 | | 11.52 | 8.93 |
| 6 | | 5.76 | 8.92 |
| 7 | | | 8.93 |
| 8 | | | 4.46 |

Section 179 Expense

| | 2017 | 2016 |
|--------------------------|--------------|--------------|
| Maximum expense election | \$ 510,000 | \$ 500,000 |
| Phaseout threshold | \$ 2,030,000 | \$ 2,010,000 |

CORPORATE INCOME TAX RATES

Regular Tax

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 50,000 | 15% | \$ 0 |
| \$ 50,001 – \$ 75,000 | \$ 7,500 + 25% | \$ 50,000 |
| \$ 75,001 – \$ 100,000 | \$ 13,750 + 34% | \$ 75,000 |
| \$ 100,001 – \$ 335,000 | \$ 22,250 + 39% | \$ 100,000 |
| \$ 335,001 – \$ 10,000,000 | \$ 113,900 + 34% | \$ 335,000 |
| \$ 10,000,001 – \$ 15,000,000 | \$ 3,400,000 + 35% | \$ 10,000,000 |
| \$ 15,000,001 – \$ 18,333,333 | \$ 5,150,000 + 38% | \$ 15,000,000 |
| \$ 18,333,334 and above | a flat 35% | |

Personal Service Corporations — 35% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

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ESTATE AND GIFT TAXES

Estate Taxes

| | 2017 | 2016 |
|---------------------------|--------------|--------------|
| Estate tax exemption | \$ 5,490,000 | \$ 5,450,000 |
| Unified estate tax credit | \$ 2,141,800 | \$ 2,125,800 |
| Top estate tax rate | 40% | 40% |

Gift Taxes

| | 2017 | 2016 |
|-----------------------------|--------------|--------------|
| Lifetime gift tax exemption | \$ 5,490,000 | \$ 5,450,000 |
| Annual gift tax exclusion | | |
| Gifts per person | \$ 14,000 | \$ 14,000 |
| Joint gifts by spouse | \$ 28,000 | \$ 28,000 |
| Top gift tax rate | 40% | 40% |

LONG-TERM CARE INSURANCE

If you are:

You may deduct this much of your annual premiums

| | 2017 | 2016 |
|--------------|----------|----------|
| Over 70 | \$ 5,110 | \$ 4,870 |
| 61 to 70 | \$ 4,090 | \$ 3,900 |
| 51 to 60 | \$ 1,530 | \$ 1,460 |
| 41 to 50 | \$ 770 | \$ 730 |
| 40 and under | \$ 410 | \$ 390 |

CAPITAL GAINS — 2017 & 2016

Holding Period

Top Capital Gains Rate

| | 2017 | 2016 |
|---|--------------------|--------------------|
| 12 months or less | 39.6% ¹ | 39.6% ¹ |
| More than 12 months | 20% ^{1,2} | 20% ^{1,2} |
| Depreciation recapture on real estate | 25% | 25% |
| Collectibles and certain small business stock | 28% | 28% |

¹ Capital gain rates may be subject to an additional 3.8% Medicare tax.

² Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.)

COVERDELL ESAs — 2017 & 2016

| | 2017 | 2016 |
|-------------------------------|--------------------------|--------------------------|
| • Contribution limit | \$ 2,000 per beneficiary | \$ 2,000 per beneficiary |
| • AGI phaseouts: [*] | | |
| Joint filers | \$ 190,000 – \$ 220,000 | \$ 190,000 – \$ 220,000 |
| Individual filers | \$ 95,000 – \$ 110,000 | \$ 95,000 – \$ 110,000 |

^{*} Phaseout applies to the contributor, not the beneficiary.

STANDARD MILEAGE RATES

| Use | 2017 | 2016 |
|------------|----------------|--------------|
| Business | 53.5¢ per mile | 54¢ per mile |
| Moving | 17¢ per mile | 19¢ per mile |
| Medical | 17¢ per mile | 19¢ per mile |
| Charitable | 14¢ per mile | 14¢ per mile |

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2017 TAX POCKET GUIDE



The next level
of service

2017 INDIVIDUAL INCOME TAX RATES*

Regular Tax — Married, Filing Jointly or Surviving Spouse

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 18,650 | 10% | \$ 0 |
| \$ 18,651 – \$ 75,900 | \$ 1,865 + 15% | \$ 18,650 |
| \$ 75,901 – \$ 153,100 | \$ 10,453 + 25% | \$ 75,900 |
| \$ 153,101 – \$ 233,350 | \$ 29,753 + 28% | \$ 153,100 |
| \$ 233,351 – \$ 416,700 | \$ 52,223 + 33% | \$ 233,350 |
| \$ 416,701 – \$ 470,700 | \$ 112,728 + 35% | \$ 416,700 |
| \$ 470,701 and above | \$ 131,628 + 39.6% | \$ 470,700 |

Married, Filing Separately

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|-------------------|-----------------|
| \$ 0 – \$ 9,325 | 10% | \$ 0 |
| \$ 9,326 – \$ 37,950 | \$ 933 + 15% | \$ 9,325 |
| \$ 37,951 – \$ 76,550 | \$ 5,227 + 25% | \$ 37,950 |
| \$ 76,551 – \$ 116,675 | \$ 14,877 + 28% | \$ 76,550 |
| \$ 116,676 – \$ 208,350 | \$ 26,112 + 33% | \$ 116,675 |
| \$ 208,351 – \$ 235,350 | \$ 56,364 + 35% | \$ 208,350 |
| \$ 235,351 and above | \$ 65,814 + 39.6% | \$ 235,350 |

Single

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 9,325 | 10% | \$ 0 |
| \$ 9,326 – \$ 37,950 | \$ 933 + 15% | \$ 9,325 |
| \$ 37,951 – \$ 91,900 | \$ 5,227 + 25% | \$ 37,950 |
| \$ 91,901 – \$ 191,650 | \$ 18,714 + 28% | \$ 91,900 |
| \$ 191,651 – \$ 416,700 | \$ 46,644 + 33% | \$ 191,650 |
| \$ 416,701 – \$ 418,400 | \$ 120,911 + 35% | \$ 416,700 |
| \$ 418,401 and above | \$ 121,506 + 39.6% | \$ 418,400 |

Head of Household

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 13,350 | 10% | \$ 0 |
| \$ 13,351 – \$ 50,800 | \$ 1,335 + 15% | \$ 13,350 |
| \$ 50,801 – \$ 131,200 | \$ 6,953 + 25% | \$ 50,800 |
| \$ 131,201 – \$ 212,500 | \$ 27,053 + 28% | \$ 131,200 |
| \$ 212,501 – \$ 416,700 | \$ 49,817 + 33% | \$ 212,500 |
| \$ 416,701 – \$ 444,550 | \$ 117,203 + 35% | \$ 416,700 |
| \$ 444,551 and above | \$ 126,950 + 39.6% | \$ 444,550 |

2017 Qualified Dividend Income 15%* (0% for lower tax brackets)

*Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).
Note: Tax amounts have been rounded up to nearest dollar.

PERSONAL EXEMPTIONS

| | 2017 | 2016 |
|--|------------|------------|
| Deduction for each taxpayer, spouse, and dependent | \$ 4,050 | \$ 4,050 |
| There is an AGI phaseout beginning at: | | |
| Married, filing jointly | \$ 313,800 | \$ 311,300 |
| Married, filing separately | \$ 156,900 | \$ 155,650 |
| Single | \$ 261,500 | \$ 259,400 |
| Head of household | \$ 287,650 | \$ 285,350 |

2016 INDIVIDUAL INCOME TAX RATES*

Regular Tax — Married, Filing Jointly or Surviving Spouse

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 18,550 | 10% | \$ 0 |
| \$ 18,551 – \$ 75,300 | \$ 1,855 + 15% | \$ 18,550 |
| \$ 75,301 – \$ 151,900 | \$ 10,368 + 25% | \$ 75,300 |
| \$ 151,901 – \$ 231,450 | \$ 29,518 + 28% | \$ 151,900 |
| \$ 231,451 – \$ 413,350 | \$ 51,792 + 33% | \$ 231,450 |
| \$ 413,351 – \$ 466,950 | \$ 111,819 + 35% | \$ 413,350 |
| \$ 466,951 and above | \$ 130,579 + 39.6% | \$ 466,950 |

Married, Filing Separately

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|-------------------|-----------------|
| \$ 0 – \$ 9,275 | 10% | \$ 0 |
| \$ 9,276 – \$ 37,650 | \$ 928 + 15% | \$ 9,275 |
| \$ 37,651 – \$ 75,950 | \$ 5,184 + 25% | \$ 37,650 |
| \$ 75,951 – \$ 115,725 | \$ 14,759 + 28% | \$ 75,950 |
| \$ 115,726 – \$ 206,675 | \$ 25,896 + 33% | \$ 115,725 |
| \$ 206,676 – \$ 233,475 | \$ 55,909 + 35% | \$ 206,675 |
| \$ 233,476 and above | \$ 65,289 + 39.6% | \$ 233,475 |

Single

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 9,275 | 10% | \$ 0 |
| \$ 9,276 – \$ 37,650 | \$ 928 + 15% | \$ 9,275 |
| \$ 37,651 – \$ 91,150 | \$ 5,184 + 25% | \$ 37,650 |
| \$ 91,151 – \$ 190,150 | \$ 18,559 + 28% | \$ 91,150 |
| \$ 190,151 – \$ 413,350 | \$ 46,279 + 33% | \$ 190,150 |
| \$ 413,351 – \$ 415,050 | \$ 119,935 + 35% | \$ 413,350 |
| \$ 415,051 and above | \$ 120,530 + 39.6% | \$ 415,050 |

Head of Household

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 13,250 | 10% | \$ 0 |
| \$ 13,251 – \$ 50,400 | \$ 1,325 + 15% | \$ 13,250 |
| \$ 50,401 – \$ 130,150 | \$ 6,898 + 25% | \$ 50,400 |
| \$ 130,151 – \$ 210,800 | \$ 26,835 + 28% | \$ 130,150 |
| \$ 210,801 – \$ 413,350 | \$ 49,417 + 33% | \$ 210,800 |
| \$ 413,351 – \$ 441,000 | \$ 116,259 + 35% | \$ 413,350 |
| \$ 441,001 and above | \$ 125,936 + 39.6% | \$ 441,000 |

2016 Qualified Dividend Income 15%* (0% for lower tax brackets)

*Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).
Note: Tax amounts have been rounded up to nearest dollar.

STANDARD DEDUCTION

| | 2017* | 2016 |
|-------------------------------|-----------|-----------|
| Married, filing jointly | \$ 12,700 | \$ 12,600 |
| Married, filing separately | \$ 6,350 | \$ 6,300 |
| Single | \$ 6,350 | \$ 6,300 |
| Head of household | \$ 9,350 | \$ 9,300 |
| Additional — blind or elderly | | |
| Single | \$ 1,550 | \$ 1,550 |
| Married | \$ 1,250 | \$ 1,250 |

* Deduct the greater of standard or itemized deductions.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

| Type of Plan | 2017 | 2016 |
|--|------------|------------|
| Individual Retirement Accounts (IRAs)* | \$ 5,500 | \$ 5,500 |
| Section 401 (k) plans or SAR-SEPs* | \$ 18,000 | \$ 18,000 |
| Section 403(b) plans* | \$ 18,000 | \$ 18,000 |
| Section 408(p) (2) (E) SIMPLE contributions* | \$ 12,500 | \$ 12,500 |
| Section 457 (b) (2) limit* | \$ 18,000 | \$ 18,000 |
| Section 415 limit for: | | |
| Defined contribution plans [†] | \$ 54,000 | \$ 53,000 |
| Defined benefit plans | \$ 215,000 | \$ 210,000 |
| Highly compensated employees Section 414(q) | \$ 120,000 | \$ 120,000 |
| FICA taxable wage base | | |
| Social Security | \$ 127,200 | \$ 118,500 |
| Medicare (tax rate 1.45% for employees; 2.90% for self-employed)** | No limit | No limit |

| | | |
|-----------------------------------|----------|----------|
| * Age 50 additional contributions | | |
| 401 (k) type plans | \$ 6,000 | \$ 6,000 |
| SIMPLEs | \$ 3,000 | \$ 3,000 |
| IRAs | \$ 1,000 | \$ 1,000 |

[†] The Section 415 compensation limit for defined contribution plans is \$270,000.

** An additional tax rate of 0.9% on wages in excess of \$200,000 may apply.

Roth IRAs

| AGI limit for maximum contributions: | 2017 | 2016 |
|--------------------------------------|------------|------------|
| Joint filers | \$ 186,000 | \$ 184,000 |
| Individual filers | \$ 118,000 | \$ 117,000 |

The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

SOCIAL SECURITY

| Annual Earned Income Limit | 2017 | 2016 |
|----------------------------|-----------|-----------|
| Under full retirement age | \$ 16,920 | \$ 15,720 |
| Full retirement age | No Limit | No Limit |

For people reaching full retirement age in 2017, the limit is \$44,880 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

| Contribution Limits | 2017 | 2016 |
|-------------------------------------|----------|----------|
| Individual, self-only | \$ 3,400 | \$ 3,350 |
| Family Coverage | \$ 6,750 | \$ 6,750 |
| Catch-up for those age 55 and older | \$ 1,000 | \$ 1,000 |

For 2017, the minimum deductible for a high-deductible health plan (HDHP) is \$1,300 for self-only coverage and \$2,600 for family coverage. The maximum out-of-pocket limit is \$6,550 for self-only coverage and \$13,100 for family plans.

ALTERNATIVE MINIMUM TAX

| AMT Exemptions | 2017 | 2016 |
|----------------------------|-----------|-----------|
| Married, filing jointly | \$ 84,500 | \$ 83,800 |
| Married, filing separately | \$ 42,250 | \$ 41,900 |
| Single | \$ 54,300 | \$ 53,900 |
| Head of household | \$ 54,300 | \$ 53,900 |