

# 2017 Tax Rates and Limits



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|                        | <u>Employee</u> | <u>Employer</u> | <u>Wage Limit</u> |
|------------------------|-----------------|-----------------|-------------------|
| <b>Social Security</b> | 6.2%            | 6.2%            | \$ 127,200        |
| <b>Medicare</b>        | 1.45% *         | 1.45%           | Unlimited         |

\*2.35% withholding on wages over \$200K

401(k) is subject to FICA/Medicare but not FIT. Subject to FUTA & SUTA.

Cafeteria plan is not subject to FICA/Medicare or FIT. Subject to SUTA, not FUTA.

| <u>Corporation Tax:</u> |                         |
|-------------------------|-------------------------|
| <u>Tax Rate</u>         | <u>Income</u>           |
| 15%                     | 0 - 50,000              |
| 25%                     | 50,001 - 75,000         |
| 34%                     | 75,001 - 100,000        |
| 39%                     | 100,001 - 335,000       |
| 34%                     | 335,001 - 10 million    |
| 35%                     | 10 million - 15 million |
| 38%                     | 15 million - 18,333,333 |
| 35%                     | over 18,333,333         |

| <u>Self-Employment:</u> |                       |                   |
|-------------------------|-----------------------|-------------------|
|                         | <u>Tax Rate</u>       | <u>Wage Limit</u> |
| <b>Social Security</b>  | 12.4%                 | \$ 127,200        |
| <b>Medicare</b>         | <u>2.9%*</u><br>15.3% | Unlimited         |

A federal income tax deduction is allowed for ½ of self-employment taxes calculated using the 15.3% rate.

\*additional .9% on earned income over \$200K for single filers and \$250K for joint filers in 2013 and forward.

|   |   |
|---|---|
| <b>Optional withholding for supplemental wages (less than \$1M)</b> | 25%   |
| <b>Backup withholding</b>   | 28%   |
| <b>Depletion</b>  | 15% (Note: Percentage depletion is not allowed for lease bonuses, advance royalties or any other amount payable without regard to actual production.) |
| <b>Sect. 179 Deduction Limit</b>                                    | <u>2016</u><br>\$ 500,000   |
| <b>Phase-out Begins</b>   | <u>2017</u><br>\$ 510,000   |
|   | <u>2016</u><br>\$ 2,010,000   |
|   | <u>2017</u><br>\$ 2,030,000   |
| <b>Bonus Depreciation</b>   | <u>2015-2017</u><br>50%   |
|   | <u>2018</u><br>40%  |
|   | <u>2019</u><br>30%  |

|  |   |
|--|---|
| <b>TWC</b>   | Wage Limit: \$9,000   |
| <b>FUTA</b>  | Beginning 7/1/2011 Rate: 6.0% - 5.4% = .6% Wage Limit: \$ 7,000   |
| <b>Minimum Wage</b>                                    | Beginning 7/24/09 - \$7.25  |
| <b>Social Security Benefits Limitation on Earnings</b> | Yrs prior to full retirement age  |
|  | Yr of full retirement, prior to full retirement*  |
|  | After full retirement   |
|  | * Full retirement age is 66 years for those born in 1943 thru 1954, 66 years + 2 months for those born in 1955, and 66 + 4 months for those born in 1956. |
| <b>Mileage Rate:</b>                                   | Standard rate – business purpose  |
|  | Medical/moving rate   |
|  | Charitable rate   |
| <b>Annual Gift Exclusion</b>                           |   |
| <b>Estate Tax Exclusion</b>                            |   |
| <b>401(k) Deferral Limit – Under Age 50</b>            |   |
| <b>401(k) Deferral Limit – Age 50 or Older</b>         |   |