

2018 Tax Rates and Limits



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	<u>Employee</u>	<u>Employer</u>	<u>Wage Limit</u>
Social Security	6.2%	6.2%	\$ 128,400
Medicare	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>
21%	All Incomes

*Effective for tax years beginning after 12/31/17

<u>Self-Employment:</u>		
	<u>Tax Rate</u>	<u>Wage Limit</u>
Social Security	12.4%	\$ 128,400
Medicare	<u>2.9%*</u> 15.3%	Unlimited

A federal income tax deduction is allowed for 1/2 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.

Optional withholding for supplemental wages (less than \$1M)	25%
Backup withholding	24%
Depletion	15% (Note: Percentage depletion is not allowed for lease bonuses, advance royalties or any other amount payable without regard to actual production.)
Sect. 179 Deduction Limit	<u>2017</u> \$ 510,000
Phase-out Begins	<u>2018</u> \$ 1,000,000
	\$ 2,030,000
	\$ 2,500,000
Bonus Depreciation	<u>1/1/12-09/27/17</u> 50%
	<u>09/28/17-12/31/22</u> 100%

TWC	Wage Limit: \$9,000																
FUTA	Beginning 7/1/2011 Rate: 6.0% - 5.4% = .6% Wage Limit: \$ 7,000																
Minimum Wage	Beginning 7/24/09 - \$7.25																
Social Security Benefits Limitation on Earnings	<table border="1"> <thead> <tr> <th></th> <th><u>2018</u></th> <th><u>2017</u></th> <th><u>Forfeit Rate</u></th> </tr> </thead> <tbody> <tr> <td>Yrs prior to full retirement age</td> <td>\$17,040</td> <td>\$ 16,920</td> <td>\$ 1 for \$ 2 earned</td> </tr> <tr> <td>Yr of full retirement, prior to full retirement*</td> <td>\$45,360</td> <td>\$ 44,880</td> <td>\$ 1 for \$ 3 earned</td> </tr> <tr> <td>After full retirement</td> <td>Unlimited</td> <td>Unlimited</td> <td></td> </tr> </tbody> </table>		<u>2018</u>	<u>2017</u>	<u>Forfeit Rate</u>	Yrs prior to full retirement age	\$17,040	\$ 16,920	\$ 1 for \$ 2 earned	Yr of full retirement, prior to full retirement*	\$45,360	\$ 44,880	\$ 1 for \$ 3 earned	After full retirement	Unlimited	Unlimited	
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	* Full retirement age is 66 years for those born in 1943 thru 1954, 66 years + 2 months for 1955, and 66 + 4 months for 1956, 66 years + 6 months 1957, 66 years + 8 months for 1958, 66 years + 10 months for 1959, 67 for those born in 1960 or later.																
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Medical/moving rate	\$.18	\$.17															
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Annual Gift Exclusion	\$ 15,000																
Estate Tax Exclusion	*(Estimated- subject to change due to inflation indexing) \$ 11,200,000* \$ 5,490,000																
401(k) Deferral Limit – Under Age 50	\$ 18,500																
401(k) Deferral Limit – Age 50 or Older	\$ 24,500																