

TCA Tax Solutions - 2023 Tax Resource Guide

Tax Rates

2023 Individual Tax Rates

Unmarried Individuals (other than surviving spouses and heads of households)	
Taxable Income	2023 Tax
Not over \$11,000	10% of taxable income
Over \$11,000 but not over \$44,725	\$1,100 plus 12% of the excess over \$11,000
Over \$44,725 but not over \$95,375	\$5,147 plus 22% of the excess over \$44,725
Over \$95,375 but not over \$182,100	\$16,290 plus 24% of the excess over \$95,375
Over \$182,100 but not over \$231,250	\$37,104 plus 32% of the excess over \$182,100
Over \$231,250 but not over \$578,125	\$52,832 plus 35% of the excess over \$231,250
Over \$578,125	\$174,238.25 plus 37% of the excess over \$578,125
Married Individuals Filing Joint Returns, & Surviving Spouses	
Taxable Income	2023 Tax
Not over \$22,000	10% of taxable income
Over \$22,000 but not over \$89,450	\$2,200 plus 12% of the excess over \$22,000
Over \$89,450 but not over \$190,750	\$10,204 plus 22% of the excess over \$89,450
Over \$190,750 but not over \$364,200	\$32,580 plus 24% of the excess over \$190,750
Over \$364,200 but not over \$462,500	\$74,208 plus 32% of the excess over \$364,200
Over \$462,500 but not over \$693,750	\$105,664 plus 35% of the excess over \$462,500
Over \$693,750	\$186,601.50 plus 37% of the excess over \$693,750
Heads of Households	
Taxable Income	2023 Tax
Not over \$15,700	10% of taxable income
Over \$15,700 but not over \$59,850	\$1,570 plus 12% of the excess over \$15,700
Over \$59,850 but not over \$95,350	\$6,868 plus 22% of the excess over \$59,850
Over \$95,350 but not over \$182,100	\$14,678 plus 24% of the excess over \$95,350
Over \$182,100 but not over \$231,250	\$35,498 plus 32% of the excess over \$182,100
Over \$231,250 but not over \$578,100	\$51,226 plus 35% of the excess over \$231,250
Over \$578,100	\$172,623.50 plus 37% of the excess over \$578,100

Married Individuals Filing Separate Returns	
Taxable Income	2023 Tax
Not over \$11,000	10% of taxable income
Over \$11,000 but not over \$44,725	\$1,100 plus 12% of the excess over \$11,000
Over \$44,725 but not over \$95,375	\$5,147 plus 22% of the excess over \$44,725
Over \$95,375 but not over \$182,100	\$16,290 plus 24% of the excess over \$95,375
Over \$182,100 but not over \$231,250	\$37,104 plus 32% of the excess over \$182,100
Over \$231,250 but not over \$346,875	\$52,832 plus 35% of the excess over \$231,250
Over \$346,875	\$93,300.75 plus 37% of the excess over \$346,875

2023 C Corporation Tax Rates

Taxable Income	2023 Tax
Any Amount of Income	21%

2023 Estates & Trusts Tax Rates

Taxable Income	2023 Tax
Not over \$2,900	10% of the taxable income
Over \$2,900 but not over \$10,550	\$290 plus 24% of the excess over \$2,900
Over \$10,550 but not over \$13,450	\$2,126 plus 35% of the excess over \$10,550
Over \$13,450	\$3,491 plus 37% of the excess over \$13,450

Social Security & Medicare

	Self-Employed	Employee
SS Tax Rate	12.4%	6.2%
Max Wages Subject to SS	\$173,470*	\$160,200
Med. Tax Rate	2.9%	1.45%
Additional Medicare Tax of 0.9%	Married Filing Joint – MAGI > \$250,000 Married Filing Separate – > \$125,000 Others – > \$200,00	

*The reason for the higher number is that only 92.35% of your net profits are taxed at 12.4%, and the \$160,200 threshold is after application of the 92.35%.

2023 Capital Gain Rates

Capital Asset	Holding Period	Tax Rate
Short-term capital gains.	One year or less.	Ordinary income tax rates, up to 37%.
Long-term capital gains.	More than one year.	Taxpayers with income below the 15% rate threshold below, pay 0%. The following are the income thresholds for 15% and 20% rates.
		<u>Married Filing Jointly:</u> 15% Rate - \$89,251 - \$553,850 20% Rate – over \$553,850
		<u>Married Filing Separately:</u> 15% Rate - \$44,626 - \$276,900 20% Rate – over \$276,900
		<u>Head of Household:</u> 15% Rate - \$59,751 - \$523,050 20% Rate – over \$523,050
		<u>Unmarried Individuals:</u> 15% Rate - \$44,626 - \$492,300 20% Rate – over \$492,300
Collectibles.	More than one year.	28%.
Section 1202 qualified small business stock.	More than five years.	28%.
Unrecaptured §1250 Gain, (gains on real property attributable to straight-line depreciation).	More than one year.	25%.

Vehicles

2023 Standard Mileage Rates

IRS Mileage Rate (in cents per mile)	
Business	65.5
Charitable	14.0
Medical & Moving	22.0
Depreciation	28.0

Personal Deductions

2023 Standard Deduction

Filing Status	Standard Deduction
Unmarried Individuals	\$13,850
Married Individuals Filing Separate Returns	\$13,850
Heads of Households	\$20,800
Married Individuals Filing Joint Returns & Surviving Spouses	\$27,700
Dependents	Greater of (1) \$1,250 and (2) \$400 + earned income
Additional Amount for Aged & Blind	Filing Jointly - \$1,500 Single or Head of Household - \$1,850

2023 Personal Exemptions

Per Individual	No Longer Applicable
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DEPRECIATION LIMITS FOR PASSENGER VEHICLES PLACED IN SERVICE IN 2023

	With Bonus Depreciation	No Bonus Depreciation
Tax Year	Amount	Amount
1st Tax Year	\$20,200	\$12,200
2nd Tax Year	\$19,500	\$19,500
3rd Tax Year	\$11,700	\$11,700
Each Succeeding Year	\$6,960	\$6,960

Retirement Plans 2023

IRA contribution (under age 50)		\$6,500
IRA contribution (50 and older)		\$7,500
IRA deductibility phase-out (based on MAGI)		
Participants in employer plans		
Single or Head of Household		\$73,000 - \$83,000
Married, filing jointly		\$116,000 - \$136,000
Married, filing separately		\$0 – \$10,000
Nonparticipants in employer plans		
Nonparticipant married to a participant		\$218,000 - \$228,000
Neither spouse a participant		Fully deductible
Phase out of Roth IRA contribution eligibility		
Single		\$138,000 - \$153,000
Married, filing jointly		\$218,000 - \$228,000
Retirement Plan	Max Employee Contribution	Max Employer Contribution
SEP	N/A	25% of wages or 20% of net self-employment income, max of \$66,000
SIMPLE IRA	\$15,500*	N/A
401(k)	\$22,500**	25% of wages***

*\$19,000 if 50 or older

**\$30,000 if 50 or older

***Combined maximum of employee and employer contributions is \$66,000 in 2023 (\$73,500 if 50 or older)