

The IRS released inflation adjusted amounts for a number of tax related items for 2017 in [Revenue Procedure 2017-58](#).

The tax tables for 2018 will be:

Married Couples Filing a Joint Return

| If Taxable Income Is: | The Tax Is: |
|---------------------------------------|---|
| Not over \$19,050 | 10% of the taxable income |
| Over \$19,050 but not over \$77,400 | \$1,905 plus 15% of the excess over \$19,050 |
| Over \$77,400 but not over \$156,150 | \$10,657.50 plus 25% of the excess over \$77,400 |
| Over \$156,150 but not over \$237,950 | \$30,345 plus 28% of the excess over \$156,150 |
| Over \$237,950 but not over \$424,950 | \$53,249 plus 33% of the excess over \$237,950 |
| Over \$424,950 but not over \$480,050 | \$114,959 plus 35% of the excess over \$424,950 |
| Over \$480,050 | \$134,244 plus 39.6% of the excess over \$480,050 |

Heads of Household

| If Taxable Income Is: | The Tax Is: |
|---------------------------------------|---|
| Not over \$13,600 | 10% of the taxable income |
| Over \$13,600 but not over \$51,850 | \$1,360 plus 15% of the excess over \$13,600 |
| Over \$51,850 but not over \$133,850 | \$7,097.50 plus 25% of the excess over \$51,850 |
| Over \$133,850 but not over \$216,700 | \$27,052.50 plus 28% of the excess over \$133,850 |
| Over \$216,700 but not over \$424,950 | \$50,795.50 plus 33% of the excess over \$216,700 |
| Over \$424,950 not over \$453,350 | \$119,518 plus 35% of the excess over \$424,950 |
| Over \$453,350 | \$129,458 plus 39.6% of the excess over \$453,350 |

Single

| If Taxable Income Is: | The Tax Is: |
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| Not over \$9,525 | 10% of the taxable income |
| Over \$9,525 but not over \$38,700 | \$952.50 plus 15% of the excess over \$9,525 |
| Over \$38,700 but not over \$93,700 | \$5,328.75 plus 25% of the excess over \$38,700 |
| Over \$93,700 but not over \$195,450 | \$19,078.75 plus 28% of the excess over \$93,700 |

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| Over \$195,450 but not over \$424,950 | \$47,568.75 plus 33% of the excess over \$195,450 |
| Over \$424,950 not over \$426,700 | \$123,303.75 plus 35% of the excess over \$424,950 |
| Over \$426,700 | \$123,916.25 plus 39.6% of the excess over \$426,700 |

Married Filing Separate Returns

| If Taxable Income Is: | The Tax Is: |
|---------------------------------------|---|
| Not over \$9,525 | 10% of the taxable income |
| Over \$9,525 but not over \$38,700 | \$952.50 plus 15% of the excess over \$9,525 |
| Over \$38,700 but not over \$78,075 | \$5,328.75 plus 25% of the excess over \$38,700 |
| Over \$78,075 but not over \$118,975 | \$15,175.50 plus 28% of the excess over \$78,075 |
| Over \$118,975 but not over \$212,475 | \$26,624.50 plus 33% of the excess over \$118,975 |
| Over \$212,475 but not over \$240,025 | \$57,479.50 plus 35% of the excess over \$212,475 |
| Over \$240,025 | \$67,122 plus 39.6% of the excess over \$240,025 |

Estates and Trusts

| If Taxable Income Is: | The Tax Is: |
|------------------------------------|--|
| Not over \$2,600 | 15% of the taxable income |
| Over \$2,600 but not over \$6,100 | \$390 plus 25% of the excess over \$2,600 |
| Over \$6,100 but not over \$9,300 | \$1,265 plus 28% of the excess over \$6,100 |
| Over \$9,300 but not over \$12,700 | \$2,161 plus 33% of the excess over \$9,300 |
| Over \$12,700 | \$3,283 plus 39.6% of the excess over \$12,700 |

Other inflation-adjusted items in the notice are:

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| Unearned Income Taxed As if Parent's Income ("Kiddie Tax") | Unearned income in excess of \$1,050 |
| Adoption Credit | Maximum credit for both special needs adoptions and other adoptions is \$13,840. The credit begins to phase out at adjusted gross income of \$207,580 and is fully phased out at \$247,580 |

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| Lifetime Learning Credit | Modified adjusted gross income in excess of \$57,000 (\$114,000 for a joint return) is used to determine the reduction in the credit |
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Earned Income Credit

The threshold phase-out amounts and completed phase-out amounts for 2016 for married couples filing a joint return:

| Item | Number of Qualifying Children | | | |
|--|-------------------------------|----------|---------------|---------|
| | One | Two | Three or More | None |
| Earned Income Amount | \$10,200 | \$14,320 | \$14,320 | \$6,800 |
| Maximum Amount of Credit | 3,468 | 5,728 | 6,444 | 520 |
| Threshold Phaseout Amount (Single, Surviving Spouse or Head of Household) | 18,700 | 18,700 | 18,700 | 8,510 |
| Completed Phaseout Amount (Single, Surviving Spouse or Head of Household) | 40,402 | 45,898 | 49,298 | 15,310 |
| Threshold Phaseout Amount (Married Filing Jointly) | 24,400 | 24,400 | 24,400 | 14,200 |
| Completed Phaseout (Married Filing Jointly) | 46,102 | 51,598 | 54,998 | 21,000 |

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| Excess Investment Income for Earned Income Credit | EITC not allowed if investment income exceeds \$3,500 |
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Refundable Credit for Coverage Under a Qualified Health Plan. For taxable years beginning in 2018, the limitation on tax imposed under § 36B(f)(2)(B) for excess advance credit payments is determined using the following table:

| If the household income (expressed as a percent of poverty line) is: | The limitation amount for unmarried individuals (other than surviving spouses and heads of household) is: | The limitation amount for all other taxpayers is: |
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| Less than 200% | \$300 | \$600 |
| At least 200% but less than 300% | \$775 | \$1,550 |
| At least 300% but less than 400% | \$1,300 | \$2,600 |

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| Rehabilitation Expenditures Treated as Separate New Building | For calendar year 2018, the per low-income unit qualified basis amount under § 42(e)(3)(A)(ii)(II) is \$6,800. |
| Low-Income Housing Credit | The amount used to calculate the State housing ceiling is the greater of (1) \$2.40 multiplied by the State population or (2) \$2,765,000 |
| Employee Health Insurance Credit under §45R | The average wage phase-out begins at \$26,700 |
| Exemption Amounts for Alternative Minimum Tax | Joint Returns or Surviving Spouses \$86,200 |
| | Single and Head of Household \$55,400 |
| | Married Individuals Filing a Separate Return \$43,100 |
| | Estates and Trusts \$24,600 |
| AMTI Level at Which the 28% Rate Applies | Married Individuals Filing Separate Returns \$95,750 |
| | Other Taxpayers \$191,500 |
| AMT Phaseout of Exemption Amounts Begin at | Joint Returns or Surviving Spouses \$164,100 |
| | Single and Head of Household \$123,100 |
| | Married Individuals Filing Separate Returns \$82,050 |
| AMT Exemption for Child Subject to the "Kiddie Tax" | The child's earned income plus \$7,650 |
| Certain expenses of elementary and secondary school teachers | \$250 |
| Transportation Mainline Pipeline Construction Industry Optional Expense Substantiation Rules for Payments to Employees under Accountable Plans | Up to \$18 an hour for rig related expenses if the employer does not reimburse fuel. Up to \$11 an hour if the employer does reimburse fuel [Rev Proc 2002-41] |
| Standard Deduction | Married Individuals Filing a Joint Return and Surviving Spouses \$13,000 |
| | Heads of Household \$9,550 |

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| | Single \$6,500 |
| | Married Individuals Filing Separate Returns \$6,500 |
| Standard Deduction for Person Who May be Claimed as a Dependent | Greater of \$1,050 or the sum of \$350 and the individual's earned income |
| Aged or Blind Additional Standard Deduction | The additional standard deduction is \$1,300. The amount is increased to \$1,600 if the individual is unmarried and not a surviving spouse |
| Overall Limit on Itemized Deductions ("Pease" Limitation) Begins to Apply | Joint return or Surviving Spouse \$320,000 |
| | Head of Household \$293,500 |
| | Single \$266,700 |
| | Married Individual Filing a Separate Return \$160,000 |
| Cafeteria Plan Medical FSA Deferrals | Maximum of \$2,650 |
| Qualified Transportation Fringe Benefit | Monthly limitation for transportation in a commuter highway vehicle and any transit pass is \$260. Monthly maximum exclusion for qualified parking is \$260 |
| United State Savings Bonds Higher Education Expenses | Exclusion begins to phase out for modified gross income above \$119,550 for joint returns and \$79,700 for other returns. The exclusion completely phases out for modified adjusted gross income of \$149,550 or more for joint returns and \$94,700 or more for other returns |
| Adoption Assistance Programs | The limits and phase outs are the same as for the adoption credit |
| Personal Exemption | \$4,150 |
| Personal Exemption Phase-Out | Married filing joint and surviving spouse begins at \$320,00 and is completely phased out at \$442,500 |
| | Heads of household begins at \$293,350 and is completely phased out at \$415,850 |
| | Single begins at \$266,700 and is completely phased out at \$389,200 |
| | Married individuals filing separate returns begins at \$160,000 and is completely phased out at \$221,250 |

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| Section 179 Expensing | For 2018 the maximum amount that can be expensed is \$520,000 and the amount begins to be reduced when property placed in service exceeds \$2,070,000 |
| Eligible Long-Term Care Premiums Limit Based on Age Attained at Close of Taxable Year | 40 or less \$420 |
| | More than 40 but not more than 50 \$780 |
| | More than 50 but not more than 60 \$1,560 |
| | More than 60 but not more than 70 \$4,160 |
| | More than 70 \$5,200 |
| Medical Savings Account High Deductible Health Plan | Self-only coverage: annual deductible not less than \$2,300 and not more than \$3,450, with a maximum out of pocket of no more than \$4,600 |
| | Family coverage: annual deductible not less than \$4,600 and not more than \$6,850, with a maximum out of pocket of no more than \$8,400 |
| Interest on Education Loans | Begins to phase out at modified adjusted gross income of \$65,000 (\$135,000 for joint returns) and is completely phased out at MAGI of \$80,000 or more (\$165,000 or more for joint returns) |
| Insubstantial Benefit Limitations for Contributions Associated with Charitable Fund Raising Campaigns | For purposes of defining the term “unrelated trade or business” for certain exempt organizations under § 513(h)(2), “low cost articles” are articles costing \$10.90 or less. |
| | Under § 170, the \$5, \$25, and \$50 guidelines in section 3 of Rev. Proc. 90-12, 1990-1 C.B. 471 (as amplified by Rev. Proc. 92-49, 1992-1 C.B. 987, and modified by Rev. Proc. 92-102, 1992-2 C.B. 579), for the value of insubstantial benefits that may be received by a donor in return for a contribution, without causing the contribution to fail to be fully deductible, are \$10.90, \$54.50, and \$109, respectively. |
| Covered Expatriate | An individual generally is a covered expatriate if the individual’s “average annual net income tax” under §877(a)(2)(A) for the five taxable years ending before the expatriation date is more than \$165,000. |

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| Tax Responsibilities for Expatriation | The amount that would be includible in the gross income of a covered expatriate by reason of § 877A(a)(1) is reduced (but not below zero) by \$713,000. |
| Foreign Earned Income Exclusion | \$104,100 |
| Unified Credit Against Estate Tax | Basic exclusion amount for 2017 is \$5,600,000 |
| Valuation of Qualified Real Property in Decedent's Gross Estate | If the executor elects to use the special use valuation method under § 2032A for qualified real property, the aggregate decrease in the value of qualified real property resulting from electing to use § 2032A for purposes of the estate tax cannot exceed \$1,140,000. |
| Annual Exclusion for Gifts | Present interest gifts \$15,000 |
| | Gifts to spouse who is not a citizen of the United States \$152,000 |
| Requirement to Maintain Minimum Essential Coverage | The amount used to determine the penalty under §5000A(c) is \$695 |
| Notice of Large Gifts Received from Foreign Persons | \$16,111 |
| Interest on a Certain Portion of an Estate Tax Payable in Installments | The dollar amount used to determine the "2-percent portion" (for purposes of calculating interest under § 6601(j)) of the estate tax extended as provided in § 6166 is \$1,520,000. |
| Minimum penalty for failing to file a tax return | For tax years beginning in 2018, the amount of the additional tax under § 6651(a) for failure to file a tax return within 60 days of the due date of such return (determined with regard to any extensions of time for filing) shall not be less than the lesser of \$215 or 100 percent of the amount required to be shown as tax on such returns. |
| Penalty for failure to file certain information returns | Organization (§ 6652(c)(1)(A)) – per return daily penalty \$20, maximum penalty: lesser of \$10,000 or 5% of gross receipts of the organization for the year |
| | Organization with gross receipts exceeding \$1,049,000 (§ 6652(c)(1)(A)) – per day penalty of \$100, maximum penalty of \$52,000 |
| | Managers (§ 6652(c)(1)(B)) – per day penalty of \$10, maximum penalty of \$5,000 |

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| | Public inspection of annual returns and reports (§ 6652(c)(1)(C)) – per day penalty \$20, maximum penalty \$10,000 |
| | Public inspection of applications for exemption and notice of status (§ 6652(c)(1)(D)), per day penalty of \$20, no maximum limits |
| Failure to file a return required under § 6034 (relating to returns by certain trust) or § 6043(b) (relating to terminations, etc., of exempt organizations) | Organization or trust (§ 6652(c)(2)(A)) – per day penalty \$10, maximum penalty \$5,000 |
| | Managers (§ 6652(c)(2)(B)) – per day penalty \$10, maximum penalty \$5,000 |
| | Split-Interest Trust (§6652(c)(2)(C)(ii)) – per day penalty \$20, maximum penalty \$10,000 |
| | Any trust with gross receipts exceeding \$262,000 (§ 6652(c)(2)(C)(ii)) – per day penalty \$100, maximum penalty \$52,000 |
| Failure to file a disclosure required under § 6033(a)(2): | Tax-exempt entity (§ 6652(c)(3)(A)) – per day penalty \$100, maximum penalty \$52,000 |
| | Failure to comply with written demand (§ 6652(c)(3)(B)(ii)) – per day penalty \$100, maximum penalty \$10,000 |
| Failure to furnish a copy of the return to the taxpayer (§ 6695(a)) | \$50 per return, maximum penalty \$26,000 |
| Failure to sign the return (§ 6695(b)) | \$50 per return, maximum penalty \$26,000 |
| Failure to furnish identifying number (§ 6695(c)) | \$50 per return, maximum penalty \$26,000 |
| Failure to retain copy or list of returns (§ 6695(d)) | \$50 per return, maximum penalty \$26,000 |
| Failure to file correct information returns (§ 6695(e)) | \$50 per return and item in return, maximum penalty \$26,000 |
| Negotiation of check by preparer (§ 6695(f)) | \$520 per check with no limit |
| Failure to be diligent in determining eligibility for child tax credit, American opportunity tax credit, and earned income credit (§ 6695(g)) | \$520 per return with no limits |
| Failure to file partnership return (§ 6698(b)(1)) | \$200 |
| Failure to file S corporation return (§ 6699(b)(1)) | \$200 |
| Failure to file correct information return and/or payee statements – average gross receipts for last three years of more than \$5,000,000 | General rule - \$270 per return, maximum \$3,282,500 |
| | Corrected on or before 30 days after required filing date - \$50 per return, maximum \$547,000 |

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| | Corrected after 30 th day but on or before August 1 st - \$100 per return, maximum penalty \$1,641,000 |
| Failure to file correct information return and/or payee statements – average gross receipts for last three years of \$5,000,000 or less | General rule - \$260 per return, maximum penalty \$1,094,000 |
| | Corrected on or before 30 days after required filing date - \$50 per return, maximum \$191,000 |
| | Corrected after 30 th day but on or before August 1 st - \$100 per return, maximum penalty \$547,000 |
| Failure to file correct information returns and/or payee statements due to an intentional disregard of the filing requirement (or correct information reporting requirement) | Return other than a return required to be filed under §§ 6045(a), 6041A(b), 6050H, 6050I, 6050J, 6050K, or 6050L (§ 6721(e)(2)(A)) - Greater of (i) \$540 or (ii) 10% of aggregate amount of items required to be reported correctly |
| | Return required to be filed under §§ 6045(a), 6050K, or 6050L (§ 6721(e)(2)(B)) - Greater of (i) \$540 or (ii) 5% of aggregate amount of items required to be reported correctly |
| | Return required to be filed under § 6050I(a) (§ 6721(e)(2)(C)) - Greater of (i) \$27,350 or (ii) amount of cash received up to \$107,000 |
| | Return required to be filed under § 6050V (§ 6721(e)(2)(D)) - Greater of (i) \$540 or (ii) 10% of the value of the benefit of any contract with respect to which information is required to be included on the return |
| Revocation or denial of passport in case of certain tax delinquencies | Amount of a delinquent tax debt for 2017 is \$51,000 |
| Periodic Payments Received under Qualified Long-Term Care Insurance Contracts or under Certain Life Insurance Contracts | The stated dollar amount of the per diem limitation under § 7702B(d)(4), regarding periodic payments received under a qualified long-term care insurance contract or periodic payments received under a life insurance contract that are treated as paid by reason of the death of a chronically ill individual, is \$360. |
| Qualified small employer health reimbursement arrangement (IRC §9831(d)) | Maximum reimbursements for year cannot exceed \$5,050 (\$10,250 for family coverage) |