

2015 vs. 2016 Comparison of Selected Tax Limits & Rates

Social Security/ Medicare	2015	2016
Social Security Tax Wage Base	\$118,500	\$118,500
Employee portion of Social Security	6.20%	6.20%
Medicare Tax Wage Base	No limit	No limit
Employee portion of Medicare	1.42%	1.42%
Additional Employee portion of Medicare >\$200,000 wages	0.90%	0.90%
Individual Retirement Accounts	2015	2016
Traditional IRA Individual, up to 100% of earned Income	\$5,500	\$5,500
Roth IRA Individual, up to 100% of earned income, but can be limited by AGI & filing status	\$5,500	\$5,500
Roth and traditional IRA additional annual "catch-up" contributions for account owners age 50 and older	\$1,000	\$1,000
Qualified Plan Limits	2015	2016
Defined Contribution Plan limit on additions on <i>Sections 415(c)(1)(A)</i>	\$53,000	\$53,000
Defined Benefit Plan limit on benefits (<i>Section 415(b)(1)(A)</i>)	\$210,000	\$210,000
Maximum compensation used to determine contributions	\$265,000	\$265,000
401(k), SARSEP, 403(b) Deferrals (<i>Section 402(g)</i>), & 457 deferrals (<i>Section 457(b)(2)</i>)	\$18,000	\$18,000
401(k), 403(b), 457 & SARSEP additional "catch-up" contributions for employees age 50 and older	\$6,000	\$6,000
SIMPLE deferrals (<i>Section 408(p)(2)(A)</i>)	\$12,500	\$12,500
SIMPLE additional "catch-up" contributions for employees age 50 and older	\$3,000	\$3,000
Compensation defining highly compensated employee (<i>Section 414(q)(1)(B)</i>)	\$120,000	\$120,000
Compensation defining key employee (officer)	\$170,000	\$170,000
Compensation triggering Simplified Employee Pension contribution requirement (<i>Section 408(k)(2)(c)</i>)	\$600	\$600
Driving Deductions	2015	2016
Business mileage, per mile	57.5¢	54¢
Charitable mileage, per mile	14¢	14¢
Medical and moving, per mile	23¢	19¢
Business Equipment	2015	2016
Maximum Section 179 deduction	\$500,000	\$500,000
Phase out for Section 179	\$2 million	\$2 million
Bonus depreciation deduction	50%	50%
Transportation Fringe Benefit Exclusion	2015	2016
Monthly commuter highway vehicle and transit pass	\$130	\$130
Monthly qualified parking	\$250	\$255

Standard Deduction	2015	2016
Married filing jointly	\$12,600	\$12,600
Single (and married filing separately)	\$6,300	\$6,300
Heads of Household	\$9,250	\$9,300
Personal Exemption	2015	2016
Amount	\$4,000	\$4,050
Personal Exemption Phaseout	2015	2016
Married filing jointly and surviving spouses	\$309,000 to \$432,400	\$311,300 to \$433,800
Heads of Household	\$284,050 to \$406,500	\$285,350 to \$407,850
Unmarried individuals	\$258,250 to \$380,750	\$259,400 to \$381,900
Married filing separately	\$154,950 to \$216,200	\$155,650 to \$216,900
Domestic Employees	2015	2016
Threshold when a domestic employer must withhold and pay FICA for babysitters, house cleaners, etc.	\$1,900	\$2,000
Kiddie Tax	2015	2016
Net unearned income not subject to the "Kiddie Tax"	\$2,100	\$2,100
Estate Tax	2015	2016
Federal estate tax exemption	\$5.43 million	\$5.45 million
Maximum estate tax rate	40%	40%
Annual Gift Exclusion	2015	2016
Amount you can give each recipient	\$14,000	\$14,000