

2012 & 2013

Compiled by David Mellem, EA

Key Numbers

TAX RATES	2012	2013
Single		
10% bracket tops at	8,700	8,925
15% bracket tops at	35,350	36,250
25% bracket tops at	85,650	87,850
28% bracket tops at	178,650	183,250
33% bracket tops at	388,350	398,350
35% after	388,350	398,350

Married Filing Joint		
10% bracket tops at	17,400	17,850
15% bracket tops at	70,700	72,750
25% bracket tops at	142,700	146,400
28% bracket tops at	217,450	223,050
33% bracket tops at	388,350	398,350
35% after	388,350	398,350

Head of Household		
10% bracket tops at	12,400	12,750
15% bracket tops at	47,350	48,600
25% bracket tops at	122,300	125,450
28% bracket tops at	198,050	203,150
33% bracket tops at	388,350	398,350
35% after	388,350	398,350

TAX RATES	2012	2013
Married Filing Separately		
10% bracket tops at	8,700	8,925
15% bracket tops at	35,350	36,250
25% bracket tops at	71,350	73,200
28% bracket tops at	108,725	111,525
33% bracket tops at	194,175	199,175
35% after	194,175	199,175

Estates & Trusts		
15% bracket tops at	2,400	2,450
25% bracket tops at	5,600	5,700
28% bracket tops at	8,500	8,750
33% bracket tops at	11,650	11,950
35% after	11,650	11,950

Standard Deduction		
Single	5,950	6,100
Married Filing Joint/ Qualified Widower	11,900	12,200
Head of Household	8,700	8,950
Married Filing Separate	5,950	6,100
Dependents	950 (or 300 plus earned income)	1,000 (or 300 plus earned income)
Extra for Age or Blindness:		
Single	1,450	1,500
Married	1,150	1,200

The IRS has released the inflation-adjusted tax brackets and other significant numbers for 2012 and some for 2013. The numbers continue to increase with inflation. This chart provides a useful tool for the current year and for planning for the coming year. Having these numbers handy will be useful during tax season. Please note: The numbers in italics are projected inflation-adjusted tax bracket numbers based on Congress extending the Bush tax cuts for one more year. These projections are taken from the CCH website (<http://hr.cch.com/news/payroll/091712a.asp>).

	2012	2013
Exemption	3,800	<i>3,900</i>
Nanny Tax Threshold	1,800	1,900
Adoption Credit & Exclusion	12,650	*
Saver's Credit Phaseout Ceilings		
50% Credit ceiling	34,500 (MFJ), 25,875 (HH), 17,250 (S & MFS)	35,500 (MFJ), 26,625 (HH), 17,750 (S & MFS)
20% Credit ceiling	37,500 (MFJ), 28,125 (HH), 18,750 (S & MFS)	38,500 (MFJ), 28,875 (HH), 19,250 (S & MFS)
10% Credit ceiling	57,500 (MFJ), 43,125 (HH), 28,750 (S & MFS)	59,000 (MFJ), 44,250 (HH), 29,500 (S & MFS)
Child Tax Credit income base for refundable portion	3,000	*
Earned Income Credit		
Maximum Credit:		
No children	475 (@ 6,210 of income)	*
One child	3,169 (@ 9,320 of income)	*
Two children	5,236 (@ 13,090 of income)	*
Three children or more	5,891 (@ 13,090 of income)	*

About the Author:

David Mellem is an enrolled agent who has been in the tax profession for more than twenty years. He and his wife Mary own Ashwaubenon Tax Professionals in Green Bay, Wisconsin. They serve approximately 1,000 tax and accounting clients. David also consults and teaches for tax professionals throughout the country.

2012 & 2013 Key Numbers

	2012	2013
Maximum AGI		
No children	13,980 (19,190 for MFJ)	*
One child	36,920 (42,130 for MFJ)	*
Two children	41,952 (47,162 for MFJ)	*
Three children or more	45,060 (50,270 for MFJ)	*
Investment Income (max)		
	3,200	*
Education Credits		
American Opportunity Credit	100% of first 2,000 + 25% of second 2,000	* *
Phaseout Level for:		
American Opportunity Credit	Begins at 80,000 (160,000 MFJ)	*
Lifetime Learning Credit	Begins at 52,000 (104,000 MFJ)	*
Adoption Credit	189,710–229,710	*
Savings bonds used for education	72,850–87,850 (109,250–139,250 MFJ)	74,700–89,700 (112,050–142,050 MFJ)
Student loan interest	60,000–75,000 (125,000–155,000 for MFJ)	*
IRA contributions when “covered”	58,000–68,000 (92,000–112,000 for MFJ) 0–10,000 for MFS)	59,000–69,000 (95,000–115,000 for MFJ) 0–10,000 for MFS)
Roth IRA contributions	110,000–125,000 (173,000–183,000 for MFJ; 0–10,000 for MFS)	112,000–127,000 (178,000–188,000 for MFJ; 0–10,000 for MFS)
Transportation Fringes		
Parking	240	*
Transit passes or commuter highway	125	*
Sec. 179 Expensing		
	139,000 maximum w/phaseout beginning at 560,000 of qualified purchases	* * *
Foreign Earned Income Exclusion		
	95,100	97,600
Long-Term Care		
Premiums – max deductible		
Not over age 40	350	360
> 40 but not > 50	660	680
> 50 but not > 60	1,310	1,360
> 60 but not > 70	3,500	3,640
> 70	4,370	4,550
Benefits – max excludible	310/day	320/day
Gift Tax Exclusion (annual)		
	13,000	14,000
Estate & gift tax exclusion (lifetime)	5,120,000	*

	2012	2013
Medical Savings Account		
Self-only coverage	2,100–3,150 deductible 4,200 out-of-pocket max	2,150–3,200 deductible 4,300 out-of-pocket max
Family coverage	4,200–6,300 deductible 7,560 out-of-pocket max	4,300–6,450 deductible 7,850 out-of-pocket max
Health Savings Account		
Self-only plan	At least 1,200 minimum deductible and out-of-pocket max of 6,050 Contribution maximum of 3,100	At least 1,250 minimum deductible and out-of-pocket max of 6,250 Contribution maximum of 3,250
Family plan	At least 2,400 minimum deductible and out-of-pocket max of 12,100 Contribution maximum of 6,250	At least 2,500 minimum deductible and out-of-pocket max of 12,500 Contribution maximum of 6,450
Social Security Items		
Increase in benefits	3.6%	1.7%
Maximum earnings subject to Social Security tax	110,100	113,700
Amount needed for a quarter of coverage	1,130	1,160
Annual limit on earnings:	14,640	15,120
• Taxpayers under full retirement age before having to repay benefits		
• Taxpayers who reach full retirement age during the year (applies to months before the month of full retirement)	3,240/month	3,340/month
Medicare premiums	Base = 99.90	Base = 104.90
Pension Amounts		
Defined contribution maximum	50,000	51,000
Defined benefit maximum	200,000	205,000
Annual compensation for calculations	250,000	255,000
SEP minimum earnings amount	550	550
Deferrals:		
SIMPLE	11,500 (+2,500 catch up)	12,000 (+2,500 catch up)
Other elective deferrals [401(k), 403(b), SARSEP, 457]	17,000 (+5,500 catch up)	17,500 (+5,500 catch up)
IRA	5,000 (+1,000 catch up)	5,500 (+1,000 catch up)
Per Diems		
Meals	46–71/day	46–71/day
Mileage	0.555/mile (0.23 = depreciation) 0.14 for charity 0.23 for medical & moving	0.565/mile (0.23 = depreciation) 0.14 for charity 0.24 for medical & moving