



# 2023 Tax Reference Guide

## Income tax

	Taxable Income over	Taxable Income Not over	Tax equals	of the amount over
<b>Married/Filing jointly and qualifying widow(er)s</b>	\$0	\$22,000	\$0 + 10%	\$0
	\$22,000	\$89,450	\$2,200 + 12%	\$22,000
	\$89,450	\$190,750	\$10,294 + 22%	\$89,450
	\$190,750	\$364,200	\$32,580 + 24%	\$190,750
	\$364,200	\$462,500	\$74,208 + 32%	\$364,200
	\$462,500	\$693,750	\$105,664 + 35%	\$462,500
	\$693,750		\$186,601.50 + 37%	\$693,750
<b>Single</b>	\$0	\$11,000	\$0 + 10%	\$0
	\$11,000	\$44,725	\$1,100 + 12%	\$11,000
	\$44,725	\$95,375	\$5,147 + 22%	\$44,725
	\$95,375	\$182,100	\$16,290 + 24%	\$95,375
	\$182,100	\$231,250	\$37,104 + 32%	\$182,100
	\$231,250	\$578,125	\$52,832 + 35%	\$231,250
	\$578,125		\$174,238.25 + 37%	\$578,125
<b>Estates and trusts</b>	\$0	\$2,900	\$0 + 10%	\$0
	\$2,900	\$10,550	\$290 + 24%	\$2,900
	\$10,550	\$14,450	\$2,126 + 35%	\$10,550
	\$14,450		\$3,491 + 37%	\$14,450

## Employer retirement plans

Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)	\$22,500
Catch-up contribution limit for 401(k), 403(b), and certain 457 plans	\$7,500
Maximum elective deferral to SIMPLE plans	\$15,500
Catch-up contribution limit for SIMPLE plans	\$3,500
Maximum elective deferral to 457 plans of government and tax-exempt employers	\$22,500
Limit on annual additions to defined contribution plans	\$66,000
Annual compensation threshold requiring SEP contribution	\$750
Limit on annual additions to SEP plans	\$66,000
Maximum annual compensation taken into account for contributions	\$330,000
Annual benefit limit under defined benefit plans	\$265,000
Limitation used in definition of highly compensated employee	\$150,000
Health flexible spending account maximum salary reduction contribution	\$3,050

## Gift and Estate Tax

Annual Gift exclusion	\$17,000
Unified credit amount	\$12,920,000
Highest estate tax bracket	40%

## Tax on capital gains and qualified dividends

Single	Married/Filing jointly/Qualifying Widow(er)	Income	Tax rate
\$0-\$44,625	\$0-\$89,250		0%
Over \$44,625 to \$492,300	Over \$89,250 to \$553,850		15%
Over \$492,300	Over \$553,850		20%

Additional 3.8% federal net investment income (NII) tax applies to individuals on the lesser of NII or modified AGI in excess of \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s). Also applies to any trust or estate on the lesser of undistributed NII or AGI in excess of the dollar amount at which the estate/trust pays income taxes at the highest rate (\$14,450).

## Traditional IRAs

### Maximum annual contribution

- Lesser of compensation or \$6,500
- Up to \$6,500 contribution can also be made for nonworking spouse
- Catch-up contributions (age 50 and over): \$1,000

## Traditional IRA deductibility table

Filing status	Covered by employer's retirement plan	Modified AGI 2023	Modified AGI 2022	Deductibility
<b>Single</b>	No	Any amount	Any amount	Full
	Yes	\$73,000 or less	\$68,000 or less	Full
	Yes	\$73,001-\$82,999	\$68,001-\$77,999	Partial
	Yes	\$83,000 or more	\$78,000 or more	None
<b>Married/ Jointly</b>	Neither spouse covered	Any amount	Any amount	Full
<b>Married/ Jointly</b>	Both spouses covered	\$116,000 or less	\$109,000 or less	Full
		\$116,001-\$135,999	\$109,001-\$128,999	Partial
		\$136,000 or more	\$129,000 or more	None
<b>Married/ Jointly</b>	Yes, but spouse is not covered	\$116,000 or less	\$109,000 or less	Full
		\$116,001-\$135,999	\$109,001-\$128,999	Partial
<b>Married/ Jointly</b>	No, but spouse is covered	\$218,000 or less	\$204,000 or less	Full
		\$218,001-\$227,999	\$204,001-\$213,999	Partial
		\$228,000 or more	\$214,000 or more	None

## Roth IRAs

### Maximum annual contribution

- Lesser of compensation or \$6,500
- Up to \$6,500 contribution can also be made for nonworking spouse
- Catch-up contributions (age 50 and over): \$1,000

### Contribution eligibility

Modified AGI is less than \$138,000 (single) or \$218,000 (married/filing jointly); phaseouts apply if modified AGI is \$138,000-\$152,999 (single) or \$218,000-\$227,999 (married/filing jointly).

### Deductibility

Contributions to Roth IRAs are not deductible.

### Conversion eligibility

There is no income restriction on eligibility for a Roth IRA conversion.

Standard deductions	Annual	Additional age 65+ or blind
Married/Filing jointly and qualifying widow(er)s	\$27,700	\$1,500
Single	\$13,850	\$1,850

### Child tax credit

- \$2,000 per "qualifying child" (who has not attained age 17 during the year); phased out as modified AGI exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,600 per child is refundable
- \$500 nonrefundable credit for qualified dependents other than qualifying children (with some modified AGI phaseouts)

### Health savings accounts contribution limits

Individual	\$3,850
Family	\$7,750

Catch-up contribution: Taxpayers who are 55 or older in 2023 may contribute an additional \$1,000, or a total of \$4,850 for individuals and \$8,750 for families.

### Deduction for mortgage interest

- Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits
- Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence

### Deduction for state and local taxes

Individuals may deduct state and local income (or sales) taxes and real and personal property taxes up to \$10,000 (\$5,000 if married filing separately) in the aggregate.

### Base amount of modified AGI causing Social Security benefits to be taxable

	Up to 50% taxable	Up to 85% taxable
Married/Filing jointly	\$32,001–\$44,000	> \$44,000
Single	\$25,001–\$34,000	> \$34,000

### Maximum earnings before Social Security benefits are reduced

Under full retirement age (\$1 withheld for every \$2 above limit)	\$21,240
Full retirement age and over	No limit*

\* Interim annual limit of \$56,520 applies for whole months prior to attaining full retirement age during year individual reaches full retirement age (\$1 withheld for every \$3 above limit).

### Maximum compensation subject to FICA taxes

OASDI (Social Security) maximum	\$160,200
HI (Medicare) maximum	No limit

OASDI and HI tax rate: 12.4% OASDI and 2.9% HI (15.3% combined) for self-employed; 6.2% and 1.45% (7.65% combined) for employees. An additional 0.9% HI tax imposed on individuals with wages or self-employment income in excess of \$200,000 (single and qualifying widow(er)s) or \$250,000 (married/filing jointly).

### Higher education tax credits

#### Modified AGI phaseouts for American Opportunity Tax Credit

Married/Filing jointly	\$160,001–\$179,999
Others	\$80,001–\$89,999

#### Modified AGI phaseouts for Lifetime Learning Credit

Married/Filing jointly	\$160,001–\$179,999
Single	\$80,001–\$89,999

### AMT exemptions

Single	\$81,300
Married/Filing jointly and qualifying widow(er)s	\$126,500

Phases out beginning with alternative minimum taxable income over \$1,156,300 (married/filing jointly and qualifying widow(er)s) or \$578,150 (single filers); AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$220,700 (single; married/filing jointly; and qualifying widow(er)s).

### Maximum Qualified Long-Term-Care insurance premiums eligible for deduction

Age 40 or less	Age >40, ≤50	Age >50, ≤60	Age >60, ≤70	Age over 70
\$480	\$890	\$1,790	\$4,770	\$5,960

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