

# 2016 TAX GUIDE



Courtesy of  
Diversified Brokerage Service

## Social Security (2016 & 2015)

Maximum Comp. Subject to FICA:	2016	2015
Social Security maximum (OASDI)	\$118,500	118,500
Social Security employee rate	6.2%	6.2%
Medicare maximum (HI)	No Limit	No Limit
Medicare employee rate	1.45%*	1.45%*

\* Additional 0.9% on incomes in excess of the threshold am't (\$250,000 married joint/ \$200,000 single not indexed) applies to wages of employees for a combined tax of 2.35%.

Base Am't of Mod. AGI Causing Social Security Benefits to be Taxable:	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

Maximum Earnings Before Social Security Benefits are Reduced:	2016	2015
Under full retirement lose \$1 of \$2	\$15,720	\$15,720
Year of retirement lose \$1 of \$3	\$41,880	\$41,880
At full retirement age	No Limit	No limit

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2016				Income Tax Rates				2015				
If Taxable Income Is:				If Taxable Income Is:				If Taxable Income Is:				
Over	But Not Over	The Tax Is	Am't Over	Over	But Not Over	The Tax Is	Am't Over	Over	But Not Over	The Tax Is	Am't Over	
Married Filing Jointly and Surviving Spouse				Married Filing Jointly and Surviving Spouse				Married Filing Jointly and Surviving Spouse				
\$0	\$18,550	\$0+10%	\$0	\$0	18,450	\$0+10%	\$0	\$0	18,450	\$0+10%	\$0	
18,550	75,300	\$1,855+15%	18,550	18,450	74,900	\$1,845+15%	18,450	18,450	74,900	\$1,845+15%	18,450	
75,300	151,900	\$10,368+25%	75,300	74,900	151,200	\$10,313+25%	74,900	74,900	151,200	\$10,313+25%	74,900	
151,900	231,450	\$29,518+28%	151,900	151,200	230,450	\$29,388+28%	151,200	151,200	230,450	\$29,388+28%	151,200	
231,450	413,350	\$51,792+33%	231,450	230,450	411,500	\$51,578+33%	230,450	230,450	411,500	\$51,578+33%	230,450	
413,350	466,950	\$111,819+35%	413,350	411,500	464,850	\$111,324+35%	411,500	411,500	464,850	\$111,324+35%	411,500	
466,950		130,579+39.6%	466,950	464,850		\$129,997+39.6%	464,850	464,850		\$129,997+39.6%	464,850	
Single				Single				Single				
\$0	\$9,275	\$0+10%	\$0	\$0	9,225	\$0+10%	\$0	\$0	9,225	\$0+10%	\$0	
9,275	37,650	\$928+15%	9,275	9,225	37,450	\$923+15%	9,225	9,225	37,450	\$923+15%	9,225	
37,650	91,150	\$5,184+25%	37,650	37,450	90,750	\$5,156+25%	37,450	37,450	90,750	\$5,156+25%	37,450	
91,150	190,150	\$18,559+28%	91,150	90,750	189,300	\$18,481+28%	90,750	90,750	189,300	\$18,481+28%	90,750	
190,150	413,350	\$46,279+33%	190,150	189,300	411,500	\$46,075+33%	189,300	189,300	411,500	\$46,075+33%	189,300	
413,350	415,050	\$119,935+35%	413,350	411,500	413,200	\$119,401+35%	411,500	411,500	413,200	\$119,401+35%	411,500	
415,050		120,530+39.6%	415,050	413,200		\$119,996+39.6%	413,200	413,200		\$119,996+39.6%	413,200	
Married Filing Separately				Married Filing Separately				Married Filing Separately				
\$0	\$9,275	\$0+10%	\$0	\$0	9,225	\$0+10%	\$0	\$0	9,225	\$0+10%	\$0	
9,275	37,650	\$928+15%	9,275	9,225	37,450	\$923+15%	9,225	9,225	37,450	\$923+15%	9,225	
37,650	75,950	\$5,184+25%	37,650	37,450	75,600	\$5,156+25%	37,450	37,450	75,600	\$5,156+25%	37,450	
75,950	115,725	\$14,759+28%	75,950	75,600	115,225	\$14,694+28%	75,600	75,600	115,225	\$14,694+28%	75,600	
115,725	206,675	\$25,869+33%	115,725	115,225	205,750	\$25,789+33%	115,225	115,225	205,750	\$25,789+33%	115,225	
206,675	233,475	\$55,909+35%	206,675	205,750	232,425	\$55,662+35%	205,750	205,750	232,425	\$55,662+35%	205,750	
233,475		65,289+39.6%	233,475	232,425		\$64,998+39.6%	232,425	232,425		\$64,998+39.6%	232,425	
Head of Household				Head of Household				Head of Household				
\$0	\$13,250	\$0+10%	\$0	\$0	13,150	\$0+10%	\$0	\$0	13,150	\$0+10%	\$0	
13,250	50,400	\$1,325+15%	13,250	13,150	50,200	\$1,315+15%	13,150	13,150	50,200	\$1,315+15%	13,150	
50,400	130,150	\$6,898+25%	50,400	50,200	129,600	\$6,873+25%	50,200	50,200	129,600	\$6,873+25%	50,200	
130,150	210,800	\$26,835+28%	130,150	129,600	209,850	\$26,723+28%	129,600	129,600	209,850	\$26,723+28%	129,600	
210,800	413,350	\$49,417+33%	210,800	209,850	411,500	\$49,193+33%	209,850	209,850	411,500	\$49,193+33%	209,850	
413,350	441,000	\$116,259+35%	413,350	411,500	439,000	\$115,737+35%	411,500	411,500	439,000	\$115,737+35%	411,500	
441,000		125,936+39.6%	441,000	439,000		\$125,362+39.6%	439,000	439,000		\$125,362+39.6%	439,000	
Estates & Trusts				Estates & Trusts				Estates & Trusts				
\$0	\$2,550	\$0+15%	\$0	\$0	2,500	\$0+15%	\$0	\$0	2,500	\$0+15%	\$0	
2,550	5,950	\$383+25%	2,550	2,500	5,900	\$375+25%	2,500	2,500	5,900	\$375+25%	2,500	
5,950	9,050	\$1,233+28%	5,950	5,900	9,050	\$1,225+28%	5,900	5,900	9,050	\$1,225+28%	5,900	
9,050	12,400	\$2,101+33%	9,050	9,050	12,300	\$2,107+33%	9,050	9,050	12,300	\$2,107+33%	9,050	
12,400		\$3,206+39.6%	12,400	12,300		\$3,180+39.6%	12,300	12,300		\$3,180+39.6%	12,300	
Standard Deductions (2016 & 2015)				Standard Deductions (2016 & 2015)				Standard Deductions (2016 & 2015)				
Filing Status	2016	Add'l	2015	Add'l	Filing Status	2016	Add'l	2015	Add'l	Filing Status	2016	Add'l
Joint/Surviving Spouse	12,600	1,250	12,600	1,250	Joint/Surviving Spouse	12,600	1,250	12,600	1,250	Joint/Surviving Spouse	12,600	1,250
Head of Household	9,300	1,550	9,250	1,550	Head of Household	9,300	1,550	9,250	1,550	Head of Household	9,300	1,550
Married File Separate	6,300	1,250	6,300	1,250	Married File Separate	6,300	1,250	6,300	1,250	Married File Separate	6,300	1,250
Single	6,300	1,550	6,300	1,550	Single	6,300	1,550	6,300	1,550	Single	6,300	1,550
Personal Exemptions				Personal Exemptions				Personal Exemptions				
Amount				Amount				Amount				

Long-Term Capital Gains & Qualified Dividend Rates*		
Taxpayers in:	2016	2015
10% & 15% Brackets	0%	0%
25% - 35% Brackets	15%	15%
39.6% Bracket	20%	20%

\*Additional 3.8% tax on net investment income applies to certain high income taxpayers to extent exceed (modified AGI \$250,000 married joint/\$200,000 single not indexed) increasing the rate to 23.8%.

Corporations Income Tax (2016 & 2015)		
Taxable Income Over	Not Over	Tax Rate
\$0	50,000	15%
50,000	75,000	25%
75,000	100,000	34%
100,000	335,000	39%
335,000	10,000,000	34%
10,000,000	15,000,000	35%
15,000,000	18,333,333	38%
18,333,333		35%

Estate & Gift Tax Rates (2016 & 2015)			
Taxable Estate Is:			
Over	But Not Over	The Tax Is	Am't Over
\$0	\$10,000	\$0+18%	\$0
10,000	20,000	1,800+20%	10,000
20,000	40,000	3,800+22%	20,000
40,000	60,000	8,200+24%	40,000
60,000	80,000	13,000+26%	60,000
80,000	100,000	18,200+28%	80,000
100,000	150,000	23,800+30%	100,000
150,000	250,000	38,800+32%	150,000
250,000	500,000	70,800+34%	250,000
500,000	750,000	155,800+37%	500,000
750,000	1,000,000	248,300+39%	750,000
1,000,000		345,800+40%	1,000,000

Other Estate & Gift Items (2016 & 2015)		
	2016	2015
Annual gift tax exclusion	\$14,000	\$14,000
Annual gift exclusion for non-US spouse	148,000	147,000
Generation skipping exclusion	5,450,000	5,430,000
Estate tax exclusion	5,450,000	5,430,000
Gift tax exclusion	5,450,000	5,430,000
2% limit for section 6166	1,480,000	1,470,000
Special use valuation	1,110,000	1,100,000

AMT Exemption* (2016 & 2015)		
Filing Status	2016	2015
Joint/Surviving Spouse	\$83,800	\$83,400
Single	\$53,900	\$53,600
Married Filing Separate/ Trusts & Estates	\$41,900	\$41,700
	\$23,900	\$23,800

AMT Exemption Phase-out Threshold* (2016 & 2015)		
Filing Status	2016	2015
Joint/Surviving Spouse	\$159,700	158,900
Single	119,700	119,200
Married File Separate/Trusts & Estates	79,850	79,450

\*AMT exemption and threshold for phase-out are indexed

Traditional IRA Deductibility Rules (2016 & 2015)				
Filing Status	Covered by Employer Plan?	Modified AGI		Deductibility
		2016	2015	
Single	No	Any amount	Any amount	Full deduction
	Yes	Less \$61,000	Less \$61,000	Full deduction
		61,000-70,999	61,000-70,999	Partial deduction
		71,000 & more	71,000 & more	No deduction
Married Filing Joint	Neither Spouse	Any amount	Any amount	Full deduction
	Both Spouse	Less 98,000	Less 98,000	Full deduction
		98,000-117,999	98,000-117,999	Partial deduction
		118,000 & more	118,000 & more	No deduction
	One Spouse Covered	Less 98,000	Less 98,000	Full deduction
		98,000-117,999	98,000-117,999	Partial deduction
		118,000 & more	118,000 & more	No deduction
	One Spouse Covered - For	Less 184,000	Less 183,000	Full deduction
		184,000-193,999	183,000-192,999	Partial deduction
		194,000 & more	193,000 & more	No deduction

Qualified Retirement Account Limits (2016 & 2015)		
	2016	2015
Contribution limits for traditional and Roth IRAs	\$5,500	\$5,500
Catch-up limits for traditional and Roth IRAs	1,000	1,000
Maximum elective deferral to retirement plans e.g. 401(k), 403(b)	18,000	18,000
Maximum elective deferral for 457 plans of tax-exempt employer	18,000	18,000
Catch-up limits for 401(k), 403(b), SARSEP and 457	6,000	6,000
Maximum elective deferral SIMPLE IRA and SIMPLE 401(k) plan	12,500	12,500
Catch-up limits for SIMPLE IRA and SIMPLE 401(k) plan	3,000	3,000
Limit on annual additions to SEP IRA plans	53,000	53,000
Annual compensation threshold requiring SEP IRA contribution	600	600
Limit on annual additions to defined contribution plans	53,000	53,000
Max. annual compensation taken into account for contributions	265,000	265,000
Annual benefit limit under defined benefit plans	210,000	210,000
Threshold amount for definition of highly compensated employee	120,000	120,000
Threshold amount for definition of key employee in top-heavy	170,000	170,000

Roth IRAs (2016 & 2015)		
AGI phase-out range for contributions:	2016	2015
Married filing joint	\$184,000-194,000	183,000-193,000
Single	\$117,000-132,000	116,000-131,000

Uniform Lifetime Table	
Calculate required minimum distributions	
Age	Distribution Period
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9
76	22.0
77	21.2
78	20.3
79	19.5
80	18.7
81	17.9
82	17.1
83	16.3
84	15.5
85	14.8
86	14.1
87	13.4
88	12.7
89	12.0
90	11.4
91	10.8
92	10.2
93	9.6
94	9.1
95	8.6
96	8.1
97	7.6
98	7.1
99	6.7
100	6.3
101	5.9

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