



National Life Group®

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2017 Tax Reference Guide

Tax brackets for 2017

Single

\$0 - \$9,325	10.0%
\$9,326 - \$37,950	\$932.50 + 15%
\$37,951 - \$91,900	\$5,226.25 + 25%
\$91,901 - \$191,650	\$18,713.75 + 28%
\$191,651 - \$416,700	\$46,643.75 + 33%
\$416,701 - \$418,400	\$120,910.25 + 35%
Over \$418,401	\$121,505.25 + 39.6%

Married, filing jointly

\$0 - \$18,650	10%
\$18,651 - \$75,900	\$1,865 + 15%
\$75,901 - \$153,100	\$10,452.50 + 25%
\$153,101 - \$233,350	\$29,752.50 + 28%
\$233,351 - \$416,700	\$52,222.50 + 33%
\$416,701 - \$470,700	\$112,728 + 35%
Over \$470,701	\$131,628 + 39.6%

Married, filing separately

\$0 - \$9,325	10%
\$9,326 - \$37,950	\$932.50 + 15%
\$37,951 - \$76,550	\$5,226.25 + 25%
\$76,551 - \$116,675	\$14,876.25 + 28%
\$116,676 - \$208,350	\$26,111.25 + 33%
\$208,351 - \$235,350	\$56,364 + 35%
Over \$235,351	\$65,814 + 39.6%

Head of household

\$0 - \$13,350	10%
\$13,351 - \$50,800	\$1,335 + 15%
\$50,801 - \$131,200	\$6,952.50 + 25%
\$131,201 - \$212,500	\$27,052.50 + 28%
\$212,501 - \$416,700	\$49,816.50 + 33%
\$416,701 - \$444,550	\$117,202.50 + 35%
Over \$444,551	\$126,950 + 39.6%

Estates and trusts

\$0-\$2,550	15.0%
\$2,551-\$6,000	25.0%
\$6,001-\$9,150	28.0%
\$9,151-\$12,500	33.0%
Over \$12,501	39.6%

Estate tax

Transfer tax rate	40%
Estate tax exemption	\$5,490,000
Gift tax exemption	\$5,490,000
Generation-skipping transfer exemption	\$5,490,000
Gift tax exclusion	\$14,000

Long-term capital gains/qualified dividend rates

0.0%–15.0% brackets	0.0%
>15.0% but <39.6% brackets	15.0%
Top bracket (39.6%)	20.0%
Capital gains on collectibles	28.0%

Standard deduction

Married, filing jointly	\$12,700
Single	\$6,350
Married, filing separately	\$6,350
Head of household	\$9,350
Blind or over 65, \$1,250 if married; \$1,550 if single or head of household	

Capital loss limit

Married, filing jointly	\$3,000
Single	\$3,000
Married, filing separately	\$1,500
If your capital loss exceeds your capital gains.	

Education

Kiddie tax exemption	\$2,100
529 plan contributions, per individual before a gift tax	\$14,000 per yr.
529 plan contributions, per couple before a gift tax	\$28,000 per yr.
Accelerate 5 years of gifting into 1 year per individual	\$70,000
Per couple	\$140,000

Lifetime learning credits

Maximum credit	\$2,500
Phaseout—single	\$5,500–\$56,000
Phaseout—joint	\$112,000

Coverdell Education Savings Account

Contribution	\$2,000
Phaseout—single	\$95,000–\$110,000 MAGI ¹
Phaseout—joint	\$190,000–\$220,000 MAGI

Student loan interest

Deduction limit	\$2,500
Phaseout—single	\$65,000–\$80,000 MAGI
Phaseout—joint	\$135,000–\$165,000 MAGI

Phaseout of tax-free savings bonds interest

Single	\$78,150–\$93,150 MAGI
Joint	\$117,250–\$147,250 MAGI

American Opportunity Education Tax Credit

Maximum credit	\$2,500
Phaseout—single	\$80,000–\$90,000 MAGI
Phaseout—joint	\$160,000–\$180,000 MAGI

Retirement

IRA and Roth contributions

Under age 50	\$5,500
Aged 50 and over	\$6,500

Phaseout for deducting IRA

Contribution (qualified plan participant)	
Married, filing jointly	\$99,000–\$119,000 MAGI
Single or head of household	\$62,000–\$72,000 MAGI
Spousal IRA	\$186,000–\$196,000 MAGI

Phaseout of Roth contribution eligibility

Joint	\$186,000–\$196,000 MAGI
Single	\$113,000–\$133,000 MAGI
Filing separately	\$0–\$10,000 MAGI

SEP contribution

Up to 25% of compensation Limit	\$54,000
To participate in SEP	\$600

SIMPLE elective deferral

Under age 50	\$12,500
Aged 50 and over	\$15,500

Qualified plan contributions

401(k), 403(b), 457, and SARSEP	\$18,000
Aged 50 and over	\$24,000
Limit on additions to defined contribution plan	\$54,000
Annual benefit limit on defined benefit plan	\$215,000
Highly compensated employee makes	\$120,000
Annual compensation taken into account for qualified plans	\$270,000

The U.S. Internal Revenue Service has made annual inflation adjustments affecting many tax provisions, including tax rate schedules, that affect income earned in 2016 and tax returns filed in early 2017. The front page of this flyer provides specifics on many of these changes, and some of the key changes are also highlighted below.

Noteworthy changes in tax provisions for the 2017 tax year*

Adjusted Tax Bracket Thresholds

The income level at which married taxpayers filing joint returns are subject to the highest bracket of 39.6% increases from \$466,950 in 2016 to \$470,700 in 2017. Single taxpayers are subject to the 39.6% tax rate on income over \$418,400, increased from \$415,050 in 2016.

Increases in Standard Deductions

The standard deduction for married taxpayers filing joint returns increased slightly to \$12,700, \$100 more than in 2015 and 2016. It also increases slightly for single taxpayers and married taxpayers filing separately to \$6,350. The standard deduction increases for heads of household, from \$9,300 to \$9,350.

Provisions Made Permanent

Since 2009 taxpayers have been allowed a \$2,500 credit for up to four years of post-secondary education expenses subject to certain phase-outs. Starting in 2017, however, the credit was set to revert to a maximum of \$1,800 with lower phase-out thresholds. The tax extender bill makes this credit permanent at the \$2,500 level.

Estate Tax Exemption Rises

Estates of decedents who die during 2017 have a basic exemption amount of \$5,490,000 up from a total of \$5,450,000 for estates of decedents who died in 2016.

Required Minimum Distributions

The Uniform Lifetime Table can be used by all IRA owners, at age 70 years, unless their sole beneficiary for the entire year is a spouse who is more than 10 years younger. Then the regular Joint Life Expectancy Table is used (see IRS Pub. 590), which could reduce the required minimum distribution even further.

Uniform Lifetime Table

Age of account owner	Divisor	Age of account owner	Divisor
70	27.4	81	17.9
71	26.5	82	17.1
72	25.6	83	16.3
73	24.7	84	15.5
74	23.8	85	14.8
75	22.9	86	14.1
76	22.0	87	13.4
77	21.2	88	12.7
78	20.3	89	12.0
79	19.5	90	11.4
80	18.7		

*U.S. Internal Revenue Service, 2016.

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