

2018 Facts Tax Facts



Welcome to our annual at-a-glance compilation of federal and state tax information. User-friendly tax rate schedules, facts, figures and assorted data make this time-saving section a handy companion. Keep it within arm's reach as you enter the upcoming busy season.

2018 TAX DATA SCHEDULE

	2018 Federal	2018 California		2018 Federal	2018 California
Standard Deductions			Senior Head of Household Credit		
Single	\$ 12,000	\$4,401	2% of California taxable income,		
Married Filing Jointly, Surviving Spouse	24,000	8,802	maximum California AGI of \$76,082		
Married Filing Separately	12,000	4,401	with maximum credit of		\$1,434
Head of Household	18,000	8,802	California Joint Custody Head of Household Credit and Dependent Parent Credit		
Additional for Age 65 and Older or Blind—Married	1,300		Each is 30% of net tax with maximum credit of		\$469
Additional for Age 65 and Older or Blind—Unmarried	1,600		Child and Dependent Care Credit		
(per individual for each situation, age or blind)			Percentage of federal credit for		
Taxpayer Claimed as a Dependent	1,050	1,050	California AGI limits		
Personal or Dependent Exemption	Suspended for tax years 2018-2025		\$0–40,000		50%
California Exemption Credits			40,001–70,000		43%
Single, Married Filing Separately, Head of Household		\$ 118	70,001–100,000		34%
Married Filing Jointly, Surviving Spouse		237	100,001 or more		0%
Dependent		367	California Renter's Credit		
Blind or Age 65 and Older		118	Married Filing Jointly, Head of Household, Surviving Spouse if AGI is below \$76,082		\$120
			Single or Married Filing Separately if AGI is below \$41,641		60

	2018 Federal	2018 California
IRC Section 179 Deduction	\$1,000,000	\$25,000
Sec. 179 Purchase Phaseout	\$2,500,000	\$200,000

**Beginning of Personal Exemption Phase-out
Range—Based on Federal AGI**

	2018 Federal	2018 California
Single	N/A	\$194,504
Married Filing Jointly, Surviving Spouse	N/A	389,013
Married Filing Separately	N/A	194,504
Head of Household	N/A	291,760

**Beginning of Itemized Deduction Phase-out
Range—Based on Federal AGI**

	2018 Federal	2018 California
Single	Limitation on	\$194,504
Married Filing Jointly, Surviving Spouse	federal itemized	389,013
Married Filing Separately	deductions is	194,504
Head of Household	suspended for tax	291,760
Rate Reduced over federal AGI limits	years 2018-2025	6%

Schedule A Medical Deduction

	2018 Federal	2018 California
Based on federal AGI	7.5%	7.5%

Schedule A State & Local Tax Deduction Max

	2018 Federal	2018 California
Married Filing Separately	\$5,000	N/A
All others	10,000	N/A

Schedule A Mortgage Interest Cap

	2018 Federal	2018 California
Only ded. on debt up to \$750,000*	\$1,100,000	

*loans entered into before 12/15/17 are not subject to this limitation

**Schedule A Miscellaneous Deduction
Based on federal AGI**

	2018 Federal	2018 California
Suspended for tax years 2018-2025		2%

Alternative Minimum Tax (AMT) Rate

	2018 Federal	2018 California
AMTI Less Exemption up to \$191,500	26%	
AMTI Less Exemption over \$191,500 (\$95,750 if Married Filing Separately)	28%	
AMTI Less Exemption		7%

AMT Exemption Amounts

	2018 Federal	2018 California
Married Filing Jointly, Surviving Spouse	\$109,400	\$95,373
Single, Head of Household	70,300	71,531
Married Filing Separately	54,700	47,685
Estate or Trust	24,600	47,685

AMT Exemption Phase-out

	2018 Federal	2018 California
Married Filing Jointly, Surviving Spouse	\$1,000,000	\$357,650
Single, Head of Household	500,000	268,237
Married Filing Separately	500,000	178,822
Estate or Trust, if AMTI is less than \$180,300	81,900	178,822

199A Overview Maximum Deduction 20% of Qualified Business Income*

*subject to wage and property limitations

Self-Employed Health Insurance Premiums

	2018 Federal	2018 California
Adjustment for AGI, percentage of total qualifying health insurance premiums	100%	100%

Auto Standard Mileage Allowances

	2018 Federal	2018 California
Business	.545	.545

	2018 Federal	2018 California
Charity work—general	.14	.14
Medical or moving	.18	.18

**U.S. Savings Bond Interest Exclusion Phase-out
Based on Modified AGI**

	2018 Federal	2018 California
Joint Return, Surviving Spouse	\$119,300 - 149,300	
All Other Returns	79,550 - 94,550	

California SDI

	2018 Federal	2018 California
Federal tax deduction*		
Annual wage limit		\$114,967
Rate		1.0%
Tax		1.149.67

*Amounts paid to a voluntary program in lieu of the state programs are not deductible, but may be a credit on California return.

2018 FEDERAL TAX RATE SCHEDULE

Taxable Income Is Over	But Not Over	Pay	+	Of The Amount Over
Single				
\$0	\$9,525	\$0	10%	\$0
9,525	38,700	952.50	12%	9,525
38,700	82,500	4,453.50	22%	38,700
82,500	157,500	14,089.50	24%	82,500
157,500	200,000	32,089.50	32%	157,500
200,000	500,000	45,689.50	35%	200,000
500,000	and more	150,689.50	37%	500,000
Head of Household				
\$0	\$13,600	\$0	10%	\$0
13,600	51,800	1,360.00	12%	13,600
51,800	82,500	5,944.00	22%	51,800
82,500	157,500	12,698.00	24%	82,500
157,500	200,000	30,698.00	32%	157,500
200,000	500,000	44,298.00	35%	200,000
500,000	and more	149,298.00	37%	500,000
Married Filing Jointly or Surviving Spouse				
\$0	\$19,050	\$0	10%	\$0
19,050	77,400	1,905.00	12%	19,050
77,400	165,000	8,907.00	22%	77,400
165,000	315,000	28,179.00	24%	165,000
315,000	400,000	64,179.00	32%	315,000
400,000	600,000	91,379.00	35%	400,000
600,000	and more	161,379.00	37%	600,000
Married Filing Separately				
\$0	\$9,525	\$0	10%	\$0
9,525	38,700	952.50	12%	9,525
38,700	82,500	4,453.50	22%	38,700
82,500	157,500	14,089.50	24%	82,500
157,500	200,000	32,089.50	32%	157,500
200,000	300,000	45,689.50	35%	200,000
300,000	and more	80,689.50	37%	300,000
Estate or Nongrantor Trust				
\$0	\$2,550	\$0	10%	\$0

2018 Facts Tax Facts

2,550	9,150	255.00	24%	2,550
9,150	12,500	1,839.00	35%	9,150
12,500	and more	3,011.50	37%	12,500

2018 STATE TAX RATE SCHEDULE

Single, Married Filing Separately, Fiduciary Return

\$0	\$8,544	\$0	1.00%	\$0
8,544	20,255	85.44	2.00%	8,544
20,255	31,969	319.66	4.00%	20,255
31,969	44,377	788.22	6.00%	31,969
44,377	56,085	1,532.70	8.00%	44,377
56,085	286,492	2,469.34	9.30%	56,085
286,492	343,788	23,897.19	10.30%	286,492
343,788	572,980	29,798.68	11.30%	343,788
572,980	and more	55,697.38	12.30%	572,980

An additional 1% surcharge applies to taxable income in excess of \$1 million.

Married Filing Jointly or Surviving Spouse

\$0	\$17,088	\$0	1.00%	\$0
17,088	40,510	170.88	2.00%	17,088
40,510	63,938	639.32	4.00%	40,510
63,938	88,754	1,576.44	6.00%	63,938
88,754	112,170	3,065.40	8.00%	88,754
112,170	572,984	4,938.68	9.30%	112,170
572,984	687,576	47,794.38	10.30%	572,984
687,576	1,145,960	59,597.36	11.30%	687,576
1,145,960	and more	111,394.75	12.30%	1,145,960

An additional 1% surcharge applies to taxable income in excess of \$1 million.

Head of Household

\$0	\$17,099	\$0	1.00%	\$0
17,099	40,512	170.99	2.00%	17,099
40,512	52,224	639.25	4.00%	40,512
52,224	64,632	1,107.73	6.00%	52,224
64,632	76,343	1,852.21	8.00%	64,632
76,343	389,627	2,789.09	9.30%	76,343
389,627	467,553	31,924.50	10.30%	389,627
467,553	779,253	39,950.88	11.30%	467,553
779,253	and more	75,172.98	12.30%	779,253

An additional 1% surcharge applies to taxable income in excess of \$1 million.

LUXURY AUTO LIMIT

Depreciation limitations for automobiles acquired **after** September 27, 2017 and first placed in service during the 2018 calendar year, for which the section 168(k) additional first year depreciation deduction applies.

Year	First	Second	Third	Thereafter
2018				
(Passenger Autos)	\$18,000	16,000	9,600	5,760
2018				
(Trucks & Vans)	\$18,000	16,000	9,600	5,760

Depreciation limitations for automobiles first placed in service during the 2018 calendar year, for which the section 168(k) additional first year depreciation deduction **does not** apply.

Year	First	Second	Third	Thereafter
2018				
	\$10,000	16,000	9,600	5,760

SOCIAL SECURITY AND MEDICARE TAXES

	2017	2018
Social Security Tax		
Maximum wage base	\$127,200	\$128,400
Social Security rate—employee	6.2%	6.2%
Social Security rate—employer	6.2%	6.2%
Social Security rate—self-employed	12.4%	12.4%

Medicare Tax

Maximum wage base	Unlimited	Unlimited
Medicare rate—employee/employer	1.45%	1.45%
Medicare rate—self-employed	2.90%	2.90%
Monthly Medicare Part B Premium	\$134.00	\$134.00

Additional Medicare Tax

An additional 0.9% Medicare tax is imposed on an employee's wages received in excess of

Married Filing Jointly	\$250,000	\$250,000
Married Filing Separately	125,000	125,000
All Others	200,000	200,000

Net Investment Income Tax (NIIT) - also known as the Unearned Income

Medicare Contribution Tax

An additional 3.8% tax may be imposed on net investment income if modified AGI is in excess of

Married Filing Jointly	\$250,000	\$250,000
Married Filing Separately	125,000	125,000
All Others	200,000	200,000

Earned Income Ceilings for Social Security Benefits

Under full retirement age	\$16,920	\$17,040
Full retirement age	Unlimited	Unlimited

RETIREMENT PLAN LIMITATIONS

	2017	2018
Maximum 401(k) or 403(b) Deferral	\$18,000	\$18,500
Maximum Defined Contribution Plan or SEP Contribution	54,000	55,000
Maximum Annual Benefit for Defined Benefit Plans	215,000	220,000
Annual Compensation Limit for Computing Plan Benefits	270,000	275,000
Annual Compensation Limit for the Definition of Highly Compensated Employee IRC Section 414(q)	120,000	120,000
Compensation Minimum for SEP plan	600	600
Maximum Contribution for SIMPLE plan	12,500	12,500
Catch-up Contribution for 401(k) or 403(b) for taxpayers age 50 and older	6,000	6,000
Catch-up Contribution for SIMPLE for taxpayers age 50 and older	3,000	3,000

Key Employee for Top Heavy Purposes:

• Officers Earning Over	\$175,000	\$175,000
• A more-than-5-percent Owner	N/A	N/A
• A more-than-1-percent Owner Earning Over	150,000	150,000

TRADITIONAL & ROTH IRAS

	2017	2018
Contribution Limit	\$5,500	\$5,500
Catch-up Contribution age 50 and older	1,000	1,000

IRA Deduction Phase-out for Active Participants

	2017	2018
Single or Head of Household	\$62,000–72,000	\$63,000–73,000
Married Filing Jointly	99,000–119,000	101,000–121,000
Married Filing Separately	0–10,000	0–10,000

IRA Deduction Phase-out for Spousal Contributions

Married Filing Jointly	186,000–196,000	189,000–199,000
------------------------	-----------------	-----------------

Roth IRA Contribution Phase-out

	2017	2018
Single or Head of Household	\$118,000–133,000	120,000–135,000
Married Filing Jointly	186,000–196,000	189,000–199,000
Married Filing Separately	0–10,000	0–10,000

Roth IRA Conversion Phase-out

All filing statuses	no AGI Limit	no AGI Limit
---------------------	--------------	--------------

IRA & PENSION CREDIT

Saver's Credit Rate applied to maximum contribution of \$2,000 and based on AGI

Joint Filers	Heads of Household	All Other Filers	Credit Rate
\$0–38,500	\$0–28,500	\$0–19,000	50%
38,500 - 41,000	28,500–30,750	19,000–20,500	20%
41,000 - 63,000	30,750–47,250	20,500–31,500	10%
Over 63,000	Over 47,250	Over 31,500	0%

ESTATE & GIFT TAX

Calendar Year	Estate/GST tax transfer exemption	Highest estate and gift tax rate
2017	\$5,490,000	40%
2018	\$11,180,000	40%

Gift tax:

Annual Gift Limitation of \$15,000 for 2018.

Lifetime Exemption of \$11,180,000 after December 31, 2017

EDUCATION-RELATED TAX BENEFITS

Coverdell Educational Savings Accounts

Annual Contribution Limit	\$2,000
Contribution phase-out based on modified AGI	
Married Filing Jointly	\$190,000–220,000
All Others	95,000–110,000

Student Loan Interest Deduction

Maximum interest deduction	\$2,500
Deduction phase-out based on modified AGI	
Married Filing Jointly	\$135,000–165,000
All Others	65,000–80,000

American Opportunity Tax Credit

Maximum Credit	\$2,500
Credit phase-out based on modified AGI	

Married Filing Jointly	\$160,000–180,000
All Others	80,000–90,000

Lifetime Learning Credit

Maximum Credit	\$2,000
Credit phase-out based on modified AGI	
Married Filing Jointly	\$114,000–134,000
All Others	57,000–67,000

Important Phone Numbers

Tax Practitioner Hotlines

IRS Priority Service (866) 860-4259

FTB (916) 845-7057

FTB Fax (916) 845-9300

FTB e-file (916) 845-0353

EDD (888) 745-3886

CDTFA (800) 401-3661

Application for Taxpayer ID Number

Federal Form SS-4 Online: www.irs.gov/businesses *

Federal Form SS-4 Fax (855) 641-6935

EDD Form DE 1 Fax (916) 654-9211

EDD Form DE 1 Online: https://edd.ca.gov/payroll_taxes/save_time_and_register_online.htm

NOTE: *For Federal Form SS-4 Phone: IRS no longer issues EINs by telephone for domestic taxpayers. Only international applicants can receive an EIN by telephone.

Thanks to **Brooke Sigler, CPA** and **Samantha Elpern, CPA** of Windes, and the FTB for compiling this information.

Fast Tax Facts provides general guidance to CalCPA members. CalCPA is not engaged in rendering accounting or other professional advice. Numbers in Fast Tax Facts are subject to change.