

2023 Tax Updates (This pertains to United States Tax Law Only)
Tax Cuts and Jobs Act

Money and Life TV Recap

This worksheet relates to the law for the tax filing due 4/15/2022 & 4/15/2023

The 2023 numbers have no affect on your 2022 tax return that is due 4/17/23

<https://www.irs.gov/pub/irs-pdf/i1040gi.pdf>

<--- Instructions

***Many of these tax revisions are set to expire for individuals after of 12/31/2025

None of this is to be taken as legal or tax advice.

Please take time to read and do your own research.

This information is provided only for educational purposes

Rates	Revised Brackets Income levels and Filing Status		
	Single	Head of household	Married Filing Joint
Married filing separate is the same up to 32% bracket as a Single Filer			
10%	0 - \$11,000	\$0 - \$15,700	0 - \$22,000
12%	11,000 - \$44,725	15,700 - 59,850	22,000 - 89,450
22%	44,725 - \$95,375	59,850 - \$95,350	89,450 - 190,750
24%	95,375 - \$182,100	95,350 - 182,100	190,750 - 364,200
32%	182,100 - \$231,250	182,100 - \$231,250	364,200 - 462,500
35%	231,250 - \$578,125	231,250 - \$578,100	462,500 - 693,750
37%	Over \$578,125	Over \$578,125	Over \$693,750

Rates	Individual Long-Term Capital Gain Rates for Stocks & Qualified Dividends Income levels and Filing Status		
	Single & Married filing separate	Head of household	Married Filing Joint
<i>There are revised rates for other filing statuses as well</i>			
0%	\$44,625	\$59,750	\$89,250
15%	(Single) \$492,300 MFS) \$276,900	\$523,050	\$553,850
20%	Income > than amounts above	Income > than amounts above	Income > than amounts above

SCH B, SCH D

Note Estates and Trusts hit max rate at \$13,200

Standard Deduction			
Year	Single & Married Filing Separate	Head of Household	Married Filing Joint
2022	12,950	19,400	25,900
2023	13,850	20,800	27,700
Additional deductions for Elderly and Blind			
Unmarried Elderly and blind		1,850	1,850
Married Elderly and blind		1,500	1,500

Medical expenses			
Year	Threshold	Details	However....
2022	7.5% of AGI	At any age	Expenses must exceed 7.5% of AGI before they become deductible.
2023	7.5% of AGI	At any age	

SCH A Itemized deductions

**Medical mileage rate is about 22 cents per mille. Information not available at the time of creating this spreadsheet

Child Tax Credit			
Year	Credit Amount <i>Up To</i>	Refundable Amount <i>Up To</i>	Other Non-child dependents
2022	2,000	1,500	500
2023	2,000	1,600	500

Tax Form 8112

Savers Credit (Tax Credit of 50%, 20%, 10% or 0% of Retirement plan related contributions)			
	Single & Married Filing Separate	Head of Household	Married Filing Joint
2022 AGI Limits	0% at \$34,000	0% at \$51,000	0% at \$68,000
2023 AGI Limits	0% at \$36,500	0% at \$54,750	0% at \$68,000

<https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>

See Savers credit video here: <https://youtu.be/IRcUW-mify8>

State and Local Taxes		
Year	Amount	Details
2017	All amounts deductible	Includes state income taxes, property taxes, etc.
2023	Limited to \$10,000	

SCH A Itemized deductions

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Mortgage Interest Deductions		
Year	Amount	Details
2017	Interest deductible for mortgage acquisition debt up \$1,000,000	Mortgage existing before 2018 will not be effected.
2017	Home Equity Loan Interest	Deductible
2022	Interest deductible for mortgage acquisition debt up \$750,000	For mortgage acquired starting in 2018. May be exceptions if you are already in a binding contract before December 15th, 2017.
If Home equity loan is used to expand or improve your residence it may be tax deductible. See IRS website for rules.		
2022	Home Equity Loan Interest	Typically No longer Deductible. May be exceptions if you are already in a binding contract before December 15th, 2017.

SCH A Itemized deductions

Miscellaneous itemized deductions that are subject to 2% floor are repealed
Unreimbursed employee expenses - job travel, union dues, job education, etc.
Legal fees
Tax Preparation fees
Investment fees, safe deposit box, etc.

Education	
Tuition and Fee Deduction has returned. Due to the "Secure Act"	
Student loan interest	Up to \$2,500 deduction paid for student loan interest if income is less than \$70,000 if single or \$145,000 if Married Filing Joint
American Opportunity Credit	Up to \$2,500 tax credit or Max refund up to \$1,000 if income less than \$90,000 (single) or \$185,000 (Married filing jointly)
Lifetime Learning credit	Up to \$2,000 tax credit if income less than \$90,000 (single) or \$185,000 (Married filing jointly)
https://www.irs.gov/credits-deductions/individuals/aotc	

401(K) 403(b) 457 plans			
2022	2023	Age	
\$20,500	\$22,500	50 and younger	
\$27,000	\$30,000	50 and up	

For 2022 contributions deadline is 4/15/2023

IRA & Roth IRA Annual Maximum Contribution Limits			
2022	2023	Age	
\$6,000	\$6,500	50 and younger	
\$7,000	\$7,500	50 and up	

Traditional IRA AGI Phase-out \$73,000 - \$83,000 if single
 Traditional IRA AGI Phase-out 116,000 - \$136,000 if MFJ
 Roth IRA AGI Phase-out \$138,000 - \$144,000 if single
 Roth IRA AGI Phase-out \$218,000 - \$228,000 if MFJ

Social Security (Cost of Living Adjustment)	
2022	2023
5.9%	8.70%

Alimony - Rules take effect in 2019
The spouse who pays alimony is no longer allowed an income adjustment. the recipient who receives alimony no longer has to claim it as income.
If taxpayer had an approved court ordered alimony agreement prior to the end of 12/31/18 (Alimony still deductible)

Gift Tax Annual Exclusion		
Year	Exclusion amount	
2022	\$	16,000
2023	\$	17,000

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Federal Estate Tax		
	Exemption Amount - Single	Exemption Amount - Married
2023	12,292,000	24,584,000

Alternative Minimum Tax		
	Exemption Amount - Single	Exemption Amount - Married
2023	81,300	126,500

Alternative Minimum Tax - Phase Out Amount		
	Phaseout- Single	Phaseout - Married
2023	578,150	1,156,300

Affordable Care Act
 Repeals shared responsibility requirement for full-coverage health insurance.
 Penalties will no longer be assessed starting in 2019

Other things to mention

Casualty theft losses - No longer applies unless federally declared disaster

Moving reimbursement and moving deduction - suspended for most people except armed forces

Charitable deductions - Still in play. New higher AGI threshold of 60% instead of 50%

Health Savings Accounts		
	Single	Family
Contribution limits	\$3,850	\$7,750
Catch-up for 55 and up	\$1,000	\$1,000 per qualifying spouse
Minimum health insurance deductible	2650 - 3950	5300 - 7900
Max out of pocket	\$5,300	\$9,650

Adjustment to gross Income

Adoption Tax Credit				
Year	Maximum Credit	Maximum exclusion		
2022	\$	14,890	\$	14,890
2023	\$	15,950	\$	15,950

Form 8839

Earned Income Credit (Income ceiling/plateau amounts 2022)			
Qualifying children	Credit percentage	Income amounts	
0	7.65%		\$7,840
1	34%		\$11,750
2	40%		\$16,510
3 +	45%		\$16,510

Form 8862

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Net Operating Losses
 Limited to 80% (Remainder carries forward)

Standard mileage rate	
2022	62.5 cents per mile
2023	62.5 cents per mile

Deductible on SCH C, E, and F

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Section 199A Deduction		
Eligible Entities	Eligible Taxpayers	Key Facts re: 199A

Partnerships	Individuals	20% deduction on qualified business income
S-Corporations	Trusts	Cannot Generate NOL
Sole Proprietorships	Estates	No deduction allowed against SE Tax
AG Cooperatives		
Income Limitations - 199A		
Filing Status	Full 20% 199A Deduction	No 199A Deduction
Single & HOH	Taxable income < \$182,100	Taxable Income > \$232,100
Married Filing Joint	Taxable income < \$364,200	Taxable Income > \$464,200

W-2 and Unadjusted Basis Limitations (Phase-In)		
Limit is greater of	50% of W-2 Wages OR 25% of W-2 wages + 2.5% of unadjusted basis	
Phase In occurs	When taxable income exceeds \$364,200 (MFJ) or \$182,100 Single)	

Tax Penalties		
RMD Penalty	50% of required minimum distribution	
Failure to file penalty	4.5% PER MONTH	Up to max of 25%
Failure to pay penalty	.5% PER MONTH	Up to max of 25%

***Note special limitations may apply for Specified Services Businesses which includes any trade or business involving the performance of services. Examples: Health, Law, Accounting, Consulting, Financial Services (including investing and investment management or trading)

<https://www.irs.gov/pub/irs-pdf/i1040gi.pdf>

2022 Filing Requirements

Chart A—For Most People

IF your filing status is . . .	AND at the end of 2022 you were* . . .	THEN file a return if your gross income** was at least . . .
Single	under 65	\$12,950
	65 or older	14,700
Married filing jointly***	under 65 (both spouses)	\$25,900
	65 or older (one spouse)	27,300
	65 or older (both spouses)	28,700
Married filing separately	any age	\$5
Head of household	under 65	\$19,400
	65 or older	21,150
Qualifying surviving spouse	under 65	\$25,900
	65 or older	27,300

*If you were born on January 1, 1958, you are considered to be age 65 at the end of 2022. (If your spouse died in 2022 or if you are preparing a return for someone who died in 2022, see Pub. 501.)

****Gross income** means all income you received in the form of money, goods, property, and services that isn't exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it). Don't include any social security benefits unless (a) you are married filing a separate return and you lived with your spouse at any time in 2022, or (b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly). If (a) or (b) applies, see the instructions for lines 6a and 6b to figure the taxable part of social security benefits you must include in gross income. Gross income includes gains, but not losses, reported on Form 8949 or Schedule D. Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, don't reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

***If you didn't live with your spouse at the end of 2022 (or on the date your spouse died) and your gross income was at least \$5, you must file a return regardless of your age.