

Department of the  
**U.S. Individual**

Form  
**1040A**

**Label**

(See page 17.)

**Use the  
IRS label.**

Otherwise,  
please print  
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**Presidential  
Election Campaign**

Your first name and initial

If a joint return, spouse's

Home address (no

City, town or

# 2023 TAX REFERENCE GUIDE



**TOWERPOINT**  
WEALTH

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916.405.9140

## Tax Brackets for 2023

Taxable income (i.e., income minus deductions and credits) between:

Married, Joint & Surviving Spouses		Marginal Tax Rates
\$0–\$22,000		10%
\$22,001–\$89,450		12%
\$89,451–\$190,750		22%
\$190,751–\$364,200		24%
\$364,201–\$462,500		32%
\$462,501–\$693,750		35%
over \$693,750		37%
Capital gains/qualified dividends		
\$0–\$89,250		0%
\$89,251–\$553,850		15%
over \$553,850		20%

Single		Marginal Tax Rates
\$0–\$11,000		10%
\$11,001–\$44,725		12%
\$44,726–\$95,375		22%
\$95,376–\$182,100		24%
\$182,101–\$231,250		32%
\$231,251–\$578,125		35%
over \$578,125		37%
Capital gains/qualified dividends		
\$0–\$44,625		0%
\$44,626–\$492,300		15%
over \$492,300		20%

Married, Separate		Marginal Tax Rates
\$0–\$11,000		10%
\$11,001–\$44,725		12%
\$44,726–\$95,375		22%
\$95,376–\$182,100		24%
\$182,101–\$231,250		32%
\$231,251–\$346,875		35%
over \$346,875		37%
Capital gains/qualified dividends		
\$0–\$44,625		0%
\$44,626–\$276,900		15%
over \$276,900		20%

Head of Household (HOH)		Marginal Tax Rates
\$0–\$15,700		10%
\$15,701–\$59,850		12%
\$59,851–\$95,350		22%
\$95,351–\$182,100		24%
\$182,101–\$231,250		32%
\$231,251–\$578,100		35%
over \$578,100		37%
Capital gains/qualified dividends		
\$0–\$59,750		0%
\$59,751–\$523,050		15%
over \$523,050		20%

Estates and Trusts		Marginal Tax Rates
\$0–\$2,900		10%
\$2,901–\$10,550		24%
\$10,551–\$14,450		35%
over \$14,450		37%
Capital gains/qualified dividends		
\$0–\$3,000		0%
\$3,001–\$14,650		15%
over \$14,650		20%

Corporate Tax Rate	21%
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## Standard Deduction

Married, joint	\$27,700
Single; married, separate	\$13,850
HOH	\$20,800
Blind or over 65: add \$1,500 if married, \$1,850 if single or HOH	

## Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000 for 1st and 2nd homes  
No deduction for home equity indebtedness

## State and Local Tax Deduction Limit

State and local income and property tax deduction	\$10,000
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## Alternative Minimum Tax Exemption Amount

Married, joint	\$126,500
Single, HOH	\$81,300
Married, separate	\$63,250

## IRA and Pension Plan Limits

IRA contribution	
Under age 50	\$6,500
Age 50 and over	\$7,500

## Phaseout for deducting IRA contribution<sup>1</sup>

Married, joint	\$116,000–\$136,000 MAGI
Single, HOH	\$73,000–\$83,000 MAGI
Married, separate	\$0–\$10,000 MAGI

Phaseout for deducting spousal IRA<sup>1</sup>  
\$218,000–\$228,000 MAGI

## Phaseout of Roth contribution eligibility

Married, joint	\$218,000–\$228,000 MAGI
Single, HOH	\$138,000–\$153,000 MAGI
Married, separate	\$0–\$10,000 MAGI

SEP contribution	
Up to 25% of compensation, limit	\$66,000
Compensation to participate in SEP	\$750
SIMPLE elective deferral	
Under age 50	\$15,500
Age 50 and over	\$19,000

## 401(k), 403(b)<sup>2</sup>, 457<sup>3</sup> and SARSEP elective deferral

Under age 50	\$22,500
Age 50 and over	\$30,000

Annual defined contribution limit \$66,000

Annual defined benefit limit \$265,000

Highly compensated employee \$150,000

Key Employee in top heavy plans \$215,000

Annual compensation taken into account for qualified plans \$330,000

**Retirement Tax Credit:** A percent tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if

Married, joint	Below \$73,000 AGI
HOH	Below \$54,750 AGI
Single; married, separate	Below \$36,500 AGI

Maximum qualified longevity annuity contract (QLAC) premium \$155,000

Increased to \$200,000 for contracts purchased or exchanged after 12/28/2022

## Gift and Estate Tax

Gift tax annual exclusion	\$17,000
Estate and gift tax rate	40%
Estate tax exemption	\$12,920,000
Lifetime gift exemption	\$12,920,000
GST exemption	\$12,920,000
Annual exclusion for gifts to noncitizen spouse	\$175,000

## Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income <sup>4</sup>	0.9%
Additional tax on Net Investment Income <sup>5</sup>	3.8%

## Health Care

Eligible Long-Term Care	Deduction Limit
Age 40 or less	\$480
Ages 41 to 50	\$890
Ages 51 to 60	\$1,790
Ages 61 to 70	\$4,770
Ages over 70	\$5,960

## Per Diem Limitation for LTC Benefits

	\$420
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## 199A Qualified Business Income Thresholds

Married, joint	\$364,200
All others	\$182,100

- 1 Applicability depends on the type of IRA, which persons participate in an employer-sponsored plan, the type of employer-sponsored plan offered, and MAGI.
- 2 Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- 3 In last 3 years prior to year of retirement, 457(b) plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch up.
- 4 Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%.
- 5 Including interest, dividends, capital gains and annuity distributions.

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# 2023 TAX REFERENCE GUIDE

## Education

Coverdell Education Savings Account	\$2,000
Coverdell contribution eligibility phaseout	
Married, joint	\$190,000–\$220,000
All others	\$95,000–\$110,000

Student loan interest deduction limit	\$2,500
Interest deduction is phased out	
Married, joint	\$155,000–\$185,000 MAGI
All others	\$75,000–\$90,000 MAGI

Phaseout of Lifetime Learning Credits	
Married, joint	\$160,000–\$180,000
All others	\$80,000–\$90,000

Tax-free savings bonds interest phased out	
Married, joint	\$137,800–\$167,800 MAGI
All others	\$91,850–\$106,850 MAGI

## Social Security<sup>6</sup>

Maximum taxable earnings base	\$160,200
Amount Needed to Earn	
One Credit	\$1,640
Amount Needed to Earn	
Four Credits	\$6,560
Social Security and Medicare Tax Rates	
Employee	7.65%
Employer	7.65%
Self-Employed	15.30%
Maximum Monthly Retirement	
Benefit at Full Retirement Age <sup>7</sup>	\$3,627
Cost of Living Adjustment	8.7%
Income <sup>8</sup> (in retirement) causing Social Security benefits to be taxable	
Married, joint	
Up to 50% taxable	\$32,000 MAGI
Up to 85% taxable	\$44,000 MAGI
Single	
Up to 50% taxable	\$25,000 MAGI
Up to 85% taxable	\$34,000 MAGI

## Reduction of Social Security retirement benefits:

In years prior to full retirement age, \$1 in benefits will be reduced for every \$2 of earnings in excess of \$21,240. In the year of full retirement age, \$1 in benefits will be reduced for every \$3 of earnings in excess of \$56,520 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

## Average Monthly Benefit (December 2021)

Average Monthly Retirement Benefit	
Men	\$1,838
Women	\$1,484

Average Monthly Survivor Benefit	
Men	\$1,492
Women	\$1,224

Source: Fast Facts and Figures about Social Security, 2022

<sup>6</sup> Source: www.ssa.gov/news/cola, 12/8/22.

<sup>7</sup> In 2023, for those turning age 62, full retirement age is 67 years.

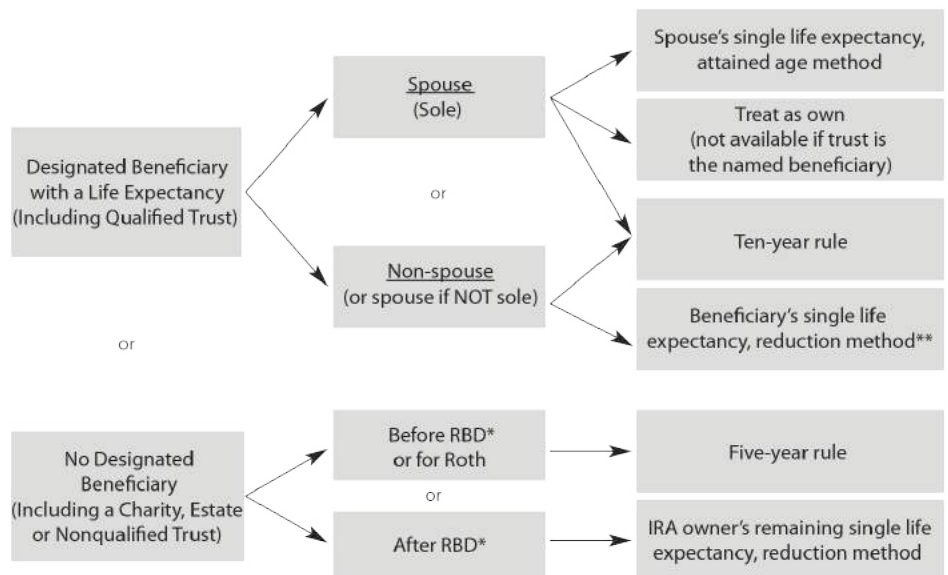
<sup>8</sup> Income is most income including muni bond interest but only 1/2 of Social Security.

## Uniform Lifetime Table

Use to calculate Required Minimum Distributions\* from IRAs and qualified plans during owner's life. If owner has spousal beneficiary more than 10 years younger, use instead Joint Life Table from IRS Pub. 590.

Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
72	27.4	95	8.9
73	26.5	96	8.4
74	25.5	97	7.8
75	24.6	98	7.3
76	23.7	99	6.8
77	22.9	100	6.4
78	22.0	101	6.0
79	21.1	102	5.6
80	20.2	103	5.2
81	19.4	104	4.9
82	18.5	105	4.6
83	17.7	106	4.3
84	16.8	107	4.1
85	16.0	108	3.9
86	15.2	109	3.7
87	14.4	110	3.5
88	13.7	111	3.4
89	12.9	112	3.3
90	12.2	113	3.1
91	11.5	114	3.0
92	10.8	115	2.9
93	10.1	116	2.8
94	9.5	117	2.7

## IRA Beneficiary Options



\*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA owner reaches age 72; age 73 if attain age 72 after 2022).

\*\* Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child's age of majority), disabled, chronically ill or not more than 10 years younger than the deceased IRA owner.

