

	2017 FEDERAL	2017 CALIFORNIA
STANDARD DEDUCTIONS		
Single	\$ 6,350	\$4,236
Married Filing Jointly, Surviving Spouse	12,700	8,458
Married Filing Separately	6,350	4,236
Head of Household	9,350	8,458
Additional for Age 65 and Older or Blind—Married	1,250	
Additional for Age 65 and Older or Blind—Unmarried (per individual for each situation, age or blind)	1,550	
Taxpayer Claimed as a Dependent	1,050	1,050
PERSONAL OR DEPENDENT EXEMPTION (Social Security Number required)	\$ 4,050	
CALIFORNIA EXEMPTION CREDITS		
Single, Married Filing Separately, Head of Household		\$114
Married Filing Jointly, Surviving Spouse		228
Dependent		353
Blind or Age 65 and Older		114
SENIOR HEAD OF HOUSEHOLD CREDIT		
2% of California taxable income, maximum California AGI of \$73,226 with maximum credit of		\$1,380
CALIFORNIA JOINT CUSTODY HEAD OF HOUSEHOLD CREDIT AND DEPENDENT PARENT CREDIT		
Each is 30% of net tax with maximum credit of		\$451

2017 FEDERAL

2017 CALIFORNIA

CALIFORNIA CHILD AND DEPENDENT CARE CREDIT

Percentage of federal credit for

California AGI limits

\$0 - 40,000	50%
40,001 - 70,000	43%
70,001 - 100,000	34%
100,001 or more	0%

CALIFORNIA RENTER'S CREDIT

Married Filing Jointly, Head of Household,

Surviving Spouse if AGI is below \$80,156 \$120

Single or Married Filing Separately if

AGI is below \$40,078 60

IRC SECTION 179 DEDUCTION

\$ 510,000

\$ 25,000

Section 179 Purchase Phase-out

2,030,000

200,000

BEGINNING OF PERSONAL EXEMPTION PHASE-OUT**RANGE—BASED ON FEDERAL AGI**

Single	\$261,500	\$187,203
Married Filing Jointly, Surviving Spouse	313,800	374,411
Married Filing Separately	156,900	187,203
Head of Household	287,650	280,808

BEGINNING OF ITEMIZED DEDUCTION PHASE-OUT**RANGE—BASED ON FEDERAL AGI**

Single	\$261,500	\$187,203
Married Filing Jointly, Surviving Spouse	313,800	374,411
Married Filing Separately	156,900	187,203
Head of Household	287,650	280,808
Rate Reduced over federal AGI limits	3%	6%

SCHEDULE A MEDICAL DEDUCTION

Based on federal AGI 10% 7.5%

SCHEDULE A MISCELLANEOUS DEDUCTION

Based on federal AGI 2% 2%

	2017 FEDERAL	2017 CALIFORNIA
ALTERNATIVE MINIMUM TAX (AMT) RATE		
AMTI Less Exemption up to \$187,800	26%	
AMTI Less Exemption over \$187,800 (\$93,900 if Married Filing Separately)	28%	
AMTI Less Exemption		7%
AMT EXEMPTION AMOUNTS		
Married Filing Jointly, Surviving Spouse	\$84,500	\$91,793
Single, Head of Household	54,300	68,846
Married Filing Separately	42,250	45,895
Estate or Trust	24,100	45,895
AMT EXEMPTION PHASE-OUT		
Married Filing Jointly, Surviving Spouse	\$160,900	\$344,225
Single, Head of Household	120,700	258,168
Married Filing Separately, Estate or Trust	80,450	172,110
SELF-EMPLOYED HEALTH INSURANCE PREMIUMS		
Adjustment for AGI, percentage of total qualifying health insurance premiums	100%	100%
AUTO STANDARD MILEAGE ALLOWANCES		
Business	.535	.535
Charity work - general	.14	.14
Medical or moving	.17	.17
U.S. SAVINGS BOND INTEREST EXCLUSION PHASE-OUT BASED ON MODIFIED AGI		
Joint Return, Surviving Spouse	\$117,250 - 147,250	
All Other Returns	78,150 - 93,150	
CALIFORNIA SDI		
Federal tax deduction*		
Annual wage limit		\$110,902
Rate		0.9%
Maximum Tax		998.12

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

2017 FEDERAL TAX RATE SCHEDULES

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
SINGLE				
\$0	\$9,325	\$0	10%	\$0
9,325	37,950	932.50	15%	9,325
37,950	91,900	5,226.25	25%	37,950
91,900	191,650	18,713.75	28%	91,900
191,650	416,700	46,643.75	33%	191,650
416,700	418,400	120,910.25	35%	416,700
418,400	and more	121,505.25	39.6%	418,400
HEAD OF HOUSEHOLD				
\$0	\$13,350	\$0	10%	\$0
13,350	50,800	1,335.00	15%	13,350
50,800	131,200	6,952.50	25%	50,800
131,200	212,500	27,052.50	28%	131,200
212,500	416,700	49,816.50	33%	212,500
416,700	444,550	117,202.50	35%	416,700
444,550	and more	126,950.00	39.6%	444,550
MARRIED FILING JOINTLY OR SURVIVING SPOUSE				
\$0	\$18,650	\$0	10%	\$0
18,650	75,900	1,865.00	15%	18,650
75,900	153,100	10,452.50	25%	75,900
153,100	233,350	29,752.50	28%	153,100
233,350	416,700	52,222.50	33%	233,350
416,700	470,700	112,728.00	35%	416,700
470,700	and more	131,628.00	39.6%	470,700

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
MARRIED FILING SEPARATELY				
\$0	\$9,325	\$0	10%	\$0
9,325	37,950	932.50	15%	9,325
37,950	76,550	5,226.25	25%	37,950
76,550	116,675	14,876.25	28%	76,550
116,675	208,350	26,111.25	33%	116,675
208,350	235,350	56,364.00	35%	208,350
235,350	and more	65,814.00	39.6%	235,350
ESTATE OR NONGRANTOR TRUST				
\$0	\$2,550	\$0	15%	\$0
2,550	6,000	382.50	25%	2,550
6,000	9,150	1,245.00	28%	6,000
9,150	12,500	2,127.00	33%	9,150
12,500	and more	3,232.50	39.6%	12,500

2017 CALIFORNIA TAX RATE SCHEDULES

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
SINGLE, MARRIED FILING SEPARATELY OR FIDUCIARY RETURN				
\$0	\$8,223	\$0	1.00%	\$0
8,223	19,495	82.23	2.00%	8,223
19,495	30,769	307.67	4.00%	19,495
30,769	42,711	758.63	6.00%	30,769
42,711	53,980	1,475.15	8.00%	42,711
53,980	275,738	2,376.67	9.30%	53,980
275,738	330,884	23,000.16	10.30%	275,738
330,884	551,473	28,680.20	11.30%	330,884
551,473	and more	53,606.76	12.30%	551,473

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

MARRIED FILING JOINTLY OR SURVIVING SPOUSE

\$0	\$16,446	\$0	1.00%	\$0
16,446	38,990	164.46	2.00%	16,446
38,990	61,538	615.34	4.00%	38,990
61,538	85,422	1,517.26	6.00%	61,538
85,422	107,960	2,950.30	8.00%	85,422
107,960	551,476	4,753.34	9.30%	107,960
551,476	661,768	46,000.33	10.30%	551,476
661,768	1,102,946	57,360.41	11.30%	661,768
1,102,946	and more	107,213.52	12.30%	1,102,946

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

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
HEAD OF HOUSEHOLD				
\$0	\$16,457	\$0	1.00%	\$0
16,457	38,991	164.51	2.00%	16,457
38,991	50,264	615.25	4.00%	38,991
50,264	62,206	1,066.17	6.00%	50,264
62,206	73,477	1,782.69	8.00%	62,206
73,477	375,002	2,684.37	9.30%	73,477
375,002	450,003	30,726.20	10.30%	375,002
450,003	750,003	38,451.30	11.30%	450,003
750,003	and more	72,351.30	12.30%	750,003

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

LUXURY AUTO LIMIT

Depreciation limitations for automobiles first placed in service during the 2017 calendar year, for which the section 168 (k) additional first-year depreciation deduction applies.

Year	First	Second	Third	Thereafter
2017 (Passenger Autos)	\$11,160	5,100	3,050	1,875
2017 (Trucks & Vans)	\$11,560	5,700	3,450	2,075

Depreciation limitations for automobiles first placed in service during the 2017 calendar year, for which the section 168 (k) additional first-year depreciation deduction does **NOT** apply.

Year	First	Second	Third	Thereafter
2017 (Passenger Autos)	\$3,160	5,100	3,050	1,875
2017 (Trucks & Vans)	\$3,560	5,700	3,450	2,075

SOCIAL SECURITY AND MEDICARE TAXES

	2016	2017
SOCIAL SECURITY TAX		
Maximum wage base	\$118,500	\$127,200
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	\$121.80	\$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	\$15,720	\$16,920
At full retirement age	Unlimited	Unlimited

RETIREMENT PLAN LIMITATIONS

	2016	2017
Maximum 401(k) or 403(b) Deferral	\$18,000	\$18,000
Maximum Defined Contribution Plan or SEP Contribution	53,000	54,000
Maximum Annual Benefit for Defined Benefit Plans	210,000	215,000
Annual Compensation Limit for Computing Plan Benefits	265,000	270,000
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 plan for taxpayers age 50 and older	3,000	3,000
KEY EMPLOYEE FOR TOP HEAVY PURPOSES:		
• Officers Earning Over	\$170,000	\$175,000
• A more-than-5% Owner	N/A	N/A
• A more-than-1% Owner Earning Over	150,000	150,000

TRADITIONAL AND ROTH IRAS

	2016	2017
Contribution Limit	\$5,500	\$5,500
Catch-up Contribution age 50 and older	1,000	1,000

IRA DEDUCTION PHASE-OUT FOR ACTIVE PARTICIPANTS

Single or Head of Household	\$61,000 - 71,000	\$62,000 - 72,000
Married Filing Jointly	98,000 - 118,000	99,000 - 119,000
Married Filing Separately	0 - 10,000	0 - 10,000

IRA DEDUCTION PHASE-OUT FOR SPOUSAL CONTRIBUTIONS

Married Filing Jointly	\$184,000 - 194,000	\$186,000 - 196,000
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ROTH IRA CONTRIBUTION PHASE-OUT

Single or Head of Household	\$117,000 - 132,000	\$118,000 - 133,000
Married Filing Jointly	184,000 - 194,000	186,000 - 196,000
Married Filing Separately	0 - 10,000	0 - 10,000

ROTH IRA CONVERSION PHASE-OUT

Single	No AGI Limit	No AGI Limit
Married Filing Jointly	No AGI Limit	No AGI Limit
Married Filing Separately	No AGI Limit	No AGI Limit

IRA AND 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 - 37,000	\$0 - 27,750	\$0 - 18,500	50%
37,000 - 40,000	27,750 - 30,000	18,500 - 20,000	20%
40,000 - 62,000	30,000 - 46,500	20,000 - 31,000	10%
Over 62,000	Over 46,500	Over 31,000	0%

ESTATE AND GIFT TAX

CALENDAR YEAR	ESTATE/GST TAX TRANSFER EXEMPTION	HIGHEST ESTATE AND GIFT TAX RATE
2016	\$5,450,000	40%
2017	\$5,490,000	40%

Gift tax:

Annual Gift Limitation of \$14,000 for 2017

Lifetime Exemption of \$5,490,000 after December 31, 2016

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	\$112,000 - 132,000	
All Others	56,000 - 66,000	

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

BOE (800) 401-3661

APPLICATION FOR TAXPAYER ID NUMBER

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

Federal Form SS-4 Phone (267) 941-1099*

Federal Form SS-4 Fax (859) 669-5760

EDD Form DE 1 (916) 654-8706

EDD Form DE 1 Fax (916) 654-9211

EDD Form DE 1 Online: <https://eddservices.edd.ca.gov>

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.

For questions or more information, please contact our tax professionals at taxalerts@windes.com or toll free at **844.4WINDES** (844.494.6337).

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