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Inflation-Adjusted Amounts for 2017

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Overview

In Revenue Procedure 2016-55, IR-2016-139, the IRS announced the inflation-adjusted amounts for numerous tax provisions for 2017. The IRS information has been formatted in the manner below by Edward K. Zollars, CPA in Phoenix, Arizona.

Tax tables for 2017

Married Couples Filing a Joint Return

If Taxable Income Is:	The Tax Is:
Not over \$18,650	10% of the taxable income
Over \$18,650 but not over \$75,900	\$1,865 plus 15% of the excess over \$18,650
Over \$75,900 but not over \$153,100	\$10,452.50 plus 25% of the excess over \$75,900
Over \$153,100 but not over \$233,350	\$29,752.50 plus 28% of the excess over \$153,100
Over \$233,350 but not over \$416,700	\$52,222.50 plus 33% of the excess over \$233,350
Over \$416,700 but not over \$470,700	\$112,728 plus 35% of the excess over \$416,700
Over \$470,700	\$131,628 plus 39.6% of the excess over \$470,700

Heads of Household

If Taxable Income Is:	The Tax Is:
Not over \$13,350	10% of the taxable income
Over \$13,350 but not over \$50,800	\$1,335 plus 15% of the excess over \$13,350
Over \$50,800 but not over \$131,200	\$6,952.50 plus 25% of the excess over \$50,800
Over \$131,200 but not over \$212,500	\$27,052.50 plus 28% of the excess over \$131,200
Over \$212,500 but not over \$416,700	\$49,816.50 plus 33% of the excess over \$212,500
Over \$416,700 not over \$444,550	\$117,202.50 plus 35% of the excess over \$416,700
Over \$444,550	\$126,950 plus 39.6% of the excess over \$444,050

Single

If Taxable Income Is:	The Tax Is:
Not over \$9,325	10% of the taxable income
Over \$9,325 but not over \$37,950	\$932.50 plus 15% of the excess over \$9,325
Over \$37,950 but not over \$91,900	\$5,226.25 plus 25% of the excess over \$37,950
Over \$91,900 but not over \$191,650	\$18,713.75 plus 28% of the excess over \$91,900
Over \$191,650 but not over \$416,700	\$46,643.75 plus 33% of the excess over \$191,650
Over \$416,700 not over \$418,400	\$120,910.25 plus 35% of the excess over \$416,700
Over \$418,400	\$121,505.25 plus 39.6% of the excess over \$418,400

Married Filing Separate Returns

If Taxable Income Is:	The Tax Is:
Not over \$9,325	10% of the taxable income
Over \$9,325 but not over \$37,950	\$932.50 plus 15% of the excess over \$9,325
Over \$37,950 but not over \$76,550	\$5,226.25 plus 25% of the excess over \$37,950
Over \$76,550 but not over \$116,675	\$14,876.50 plus 28% of the excess over \$76,550
Over \$116,675 but not over \$208,350	\$26,111.25 plus 33% of the excess over \$116,675
Over \$208,350 but not over \$235,350	\$56,364 plus 35% of the excess over \$208,350
Over \$235,350	\$65,814 plus 39.6% of the excess over \$235,350

Estates and Trusts

If Taxable Income Is:	The Tax Is:
Not over \$2,550	15% of the taxable income
Over \$2,550 but not over \$6,000	\$382.50 plus 25% of the excess over \$2,550
Over \$6,000 but not over \$9,150	\$1,245 plus 28% of the excess over \$6,000
Over \$9,150 but not over \$12,500	\$2,127 plus 33% of the excess over \$9,150
Over \$12,500	\$3,232.50 plus 39.6% of the excess over \$12,500

Other inflation-adjusted items:

Unearned Income Taxed As if Parent's Income ("Kiddie Tax")	Unearned income in excess of \$1,050
Adoption Credit	Maximum credit for both special needs adoptions and other adoptions is \$13,570. The credit begins to phase out at adjusted gross income of \$203,540 and is fully phased out at \$243,500
Lifetime Learning Credit	Modified adjusted gross income in excess of \$56,000 (\$112,000 for a joint return) is used to determine the reduction in the credit

Earned Income Credit

The threshold phase-out amounts and completed phase-out amounts for 2016 for married couples

Item	Number of Qualifying Children			
	One	Two	Three or More	None
Earned Income Amount	\$10,000	\$14,040	\$14,040	\$6,670
Maximum Amount of Credit	3,400	5,616	6,318	510
ThresholdPhaseout Amount (Single, Surviving Spouse or Head of Household)	18,340	18,340	18,340	8,340
CompletedPhaseoutAmount(Single, Surviving Spouse or Head of Household)	39,617	45,007	48,340	15,010
ThresholdPhaseout Amount (Married Filing Jointly)	23,930	23,930	23,930	13,930
CompletedPhaseout (Married Filing Jointly)	45,207	50,597	53,930	20,600

Excess Investment Income for Earned Income Credit	EITC not allowed if investment income exceeds \$3,450
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Refundable Credit for Coverage Under a Qualified Health Plan. For taxable years beginning in 2017, the limitation on tax imposed under § 36B(f)(2)(B) for excess advance credit payments is determined using the following table:

If the household income (expressed as a percent of poverty line) is:	The limitation amount for unmarried individuals (other than surviving spouses and heads of household) is:	The limitation amount for all other taxpayers is:
Less than 200%	\$300	\$600
At least 200% but less than 300%	\$750	\$1,500

At least 300% but less than 400%	\$1,275	\$2,550
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Rehabilitation Expenditures Treated as Separate New Building	For calendar year 2015, the per low-income unit qualified basis amount under § 42(e)(3) (A)(ii)(II) is \$6,700.
Low-Income Housing Credit	The amount used to calculate the State housing ceiling is the greater of (1) \$2.35 multiplied by the State population or (2) \$2,710,000
Employee Health Insurance Credit under §45R	The average wage phase-out begins at \$26,200
Exemption Amounts for Alternative Minimum Tax	Joint Returns or Surviving Spouses \$84,500
	Single and Head of Household \$54,300
	Married Individuals Filing a Separate Return \$42,250
	Estates and Trusts \$24,100
AMTI Level at Which the 28% Rate Applies	Married Individuals Filing Separate Returns \$93,900
	Other Taxpayers \$187,800
AMT Phaseout of Exemption Amounts Begin at	Joint Returns or Surviving Spouses \$160,900
	Single and Head of Household \$120,700
	Married Individuals Filing Separate Returns \$80,450
AMT Exemption for Child Subject to the “Kiddie Tax”	The child’s earned income plus \$7,500
Certain expenses of elementary and secondary school teachers	\$250
Transportation Mainline Pipeline Construction Industry Optional Expense Substantiation Rules for	Up to \$17 an hour for rig related expenses if the employer does not reimburse fuel. Up to \$11 an hour if the employer does reimburse fuel [Rev Proc 2002–41]

Payments to Employees under Accountable Plans	
Standard Deduction	Married Individuals Filing a Joint Return and Surviving Spouses \$12,700
	Heads of Household \$9,350
	Single \$6,350
	Married Individuals Filing Separate Returns \$6,350
Standard Deduction for Person Who May be Claimed as a Dependent	Greater of \$1,050 or the sum of \$350 and the individual's earned income
Aged or Blind Additional Standard Deduction	The additional standard deduction is \$1,250. The amount is increased to \$1,550 if the individual is unmarried and not a surviving spouse
Overall Limit on Itemized Deductions ("Pease" Limitation) Begins to Apply	Joint return or Surviving Spouse \$318,300
	Head of Household \$287,650
	Single \$261,500
	Married Individual Filing a Separate Return \$156,900
Cafeteria Plan Medical FSA Deferrals	Maximum of \$2,600
Qualified Transportation Fringe Benefit	Monthly limitation for transportation in a commuter highway vehicle and any transit pass is \$255. Monthly maximum exclusion for qualified parking is \$255
United State Savings Bonds Higher Education Expenses	Exclusion begins to phase out for modified gross income above \$117,250 for joint returns and \$78,150 for other returns. The exclusion completely phases out for modified adjusted gross income of \$147,250 or more for joint returns and \$93,150 or more for other returns
Adoption Assistance Programs	The limits and phase outs are the same as for the adoption credit
Personal Exemption	\$4,050
Personal Exemption Phase-Out	Married filing joint and surviving spouse begins at \$311,800 and is completely phased out at \$436,300

	Heads of household begins at \$287,650 and is completely phased out at \$410,150
	Single begins at \$261,500 and is completely phased out at \$384,000
	Married individuals filing separate returns begins at \$156,900 and is completely phased out at \$218,150
Section 179 Expensing	For 2017 the maximum amount that can be expensed is \$510,000 and the amount begins to be reduced when property placed in service exceeds \$2,030,000
Eligible Long-Term Care Premiums	40 or less \$410
Limit Based on Age Attained at	More than 40 but not more than 50 \$770
Close of Taxable Year	More than 50 but not more than 60 \$1,530
	More than 60 but not more than 70 \$4,090
	More than 70 \$5,110
Medical Savings Account High Deductible Health Plan	Self-only coverage: annual deductible not less than \$2,250 and not more than \$3,350, with a maximum out of pocket of no more than \$4,500
	Family coverage: annual deductible not less than \$4,500 and not more than \$6,750, with a maximum out of pocket of no more than \$8,250
Interest on Education Loans	Begins to phase out at modified adjusted gross income of \$65,000 (\$135,000 for joint returns) and is completely phased out at MAGI of \$80,000 or more (\$165,000 or more for joint returns)
Insubstantial Benefit Limitations for Contributions Associated with Charitable Fund Raising Campaigns	For purposes of defining the term “unrelated trade or business” for certain exempt organizations under § 513(h)(2), “low cost articles” are articles costing \$10.70 or less.
	Under § 170, the \$5, \$25, and \$50 guidelines in section 3 of Rev. Proc. 90-12, 1990-1 C.B. 471 (as amplified by Rev. Proc. 92-49, 1992-1 C.B. 987, and modified by Rev. Proc. 92-102, 1992-2 C.B. 579), for the value of insubstantial benefits that may be received by a donor in

	return for a contribution, without causing the contribution to fail to be fully deductible, are \$10.70, \$53.50, and \$107, respectively.
Covered Expatriate	An individual generally is a covered expatriate if the individual's "average annual net income tax" under §877(a)(2)(A) for the five taxable years ending before the expatriation date is more than \$162,000.
Tax Responsibilities for Expatriation	The amount that would be includible in the gross income of a covered expatriate by reason of § 877A(a)(1) is reduced (but not below zero) by \$699,000.
Foreign Earned Income Exclusion	\$102,100
Unified Credit Against Estate Tax	Basic exclusion amount for 2016 is \$5,490,000
Valuation of Qualified Real Property in Decedent's Gross Estate	If the executor elects to use the special use valuation method under § 2032A for qualified real property, the aggregate decrease in the value of qualified real property resulting from electing to use § 2032A for purposes of the estate tax cannot exceed \$1,120,000.
Annual Exclusion for Gifts	Present interest gifts \$14,000
	Gifts to spouse who is not a citizen of the United States \$149,000
Requirement to Maintain Minimum Essential Coverage	The amount used to determine the penalty under §5000A(c) is \$695
Notice of Large Gifts Received from Foreign Persons	\$15,797

Interest on a Certain Portion of an Estate Tax Payable in Installments	The dollar amount used to determine the "2-percent portion" (for purposes of calculating interest under § 6601(j)) of the estate tax extended as provided in § 6166 is \$1,490,000.
Minimum penalty for failing to file a tax return	For tax years beginning in 2017, the amount of the additional tax under § 6651(a) for failure to file a tax return within 60 days of the due date of such return (determined with regard to any extensions of time for filing) shall not be less than the lesser of \$210 or 100 percent of the amount required to shown as tax on such returns.
Penalty for failure to file certain information returns	Organization (§ 6652(c)(1)(A)) – per return daily penalty \$20, maximum penalty: lesser of \$10,000 or 5% of gross receipts of the organization for the year
	Organization with gross receipts exceeding \$1,028,500 (§ 6652(c)(1)(A)) – per day penalty of \$100, maximum penalty of \$51,000
	Managers (§ 6652(c)(1)(B)) – per day penalty of \$10, maximum penalty of \$5,000
	Public inspection of annual returns and reports (§ 6652(c)(1)(C)) – per day penalty \$20, maximum penalty \$10,000
	Public inspection of applications for exemption and notice of status (§ 6652(c)(1)(D)), per day penalty of 20, no maximum limits
Failure to file a return required under § 6034 (relating to returns by certain trust) or § 6043(b) (relating to terminations, etc., of exempt organizations)	Organization or trust (§ 6652(c)(2)(A)) – per day penalty \$10, maximum penalty \$5,000
	Managers (§ 6652(c)(2)(B)) – per day penalty \$10, maximum penalty \$5,000
	Split-Interest Trust (§6652(c)(2)(C)(ii)) – per day penalty \$20, maximum penalty \$10,000
	Any trust with gross receipts exceeding \$257,000 (§ 6652(c)(2)(C)(ii)) – per day penalty \$100, maximum penalty \$51,000

Failure to file a disclosure required under § 6033(a)(2):	Tax-exempt entity (§ 6652(c)(3)(A)) – per day penalty \$100, maximum penalty \$51,000
	Failure to comply with written demand (§ 6652(c)(3)(B)(ii)) – per day penalty \$100, maximum penalty \$10,000
Failure to furnish a copy of the return to the taxpayer (§ 6695(a))	\$50 per return, maximum penalty \$25,500
Failure to sign the return (§ 6695(b))	\$50 per return, maximum penalty \$25,500
Failure to furnish identifying number (§ 6695(c))	\$50 per return, maximum penalty \$25,500
Failure to retain copy or list of returns (§ 6695(d))	\$50 per return, maximum penalty \$25,500
Failure to file correct information returns (§ 6695(e))	\$50 per return and item in return, maximum penalty \$25,500
Negotiation of check by preparer (§ 6695(f))	\$510 per check with no limit

Failure to be diligent in determining eligibility for child tax credit, American opportunity tax credit, and earned income credit (§ 6695(g))	\$510 per return with no limits
Failure to file partnership return (§ 6698(b)(1))	\$200
Failure to file S corporation return (§ 6699(b)(1))	\$200
Failure to file correct information return and/or payee statements – average gross receipts for last three years of more than \$5,000,000	General rule - \$260 per return, maximum \$3,218,500
	Corrected on or before 30 days after required filing date - \$50 per return, maximum \$536,000
	Corrected after 30 th day but on or before August 1 st - \$100 per return, maximum penalty \$1,609,000
Failure to file correct information return and/or payee statements – average gross receipts for last three years of \$5,000,000 or less	General rule - \$260 per return, maximum penalty \$1,072,500
	Corrected on or before 30 days after required filing date - \$50 per return, maximum \$187,500
	Corrected after 30 th day but on or before August 1 st - \$100 per return, maximum penalty \$536,000
Failure to file correct information returns and/or payee statements due to an intentional disregard of the	Return other than a return required to be filed under §§ 6045(a), 6041A(b), 6050H, 6050I, 6050J, 6050K, or 6050L (§ 6721(e)(2)(A)) - Greater of (i) \$530 or (ii) 10% of aggregate amount of items required to be reported correctly

filing requirement (or correct information reporting requirement)	Return required to be filed under §§ 6045(a), 6050K, or 6050L (§ 6721(e)(2)(B)) - Greater of (i) \$530 or (ii) 5% of aggregate amount of items required to be reported correctly
	Return required to be filed under § 6050I(a) (§ 6721(e)(2)(C)) - Greater of (i) \$26,820 or (ii) amount of cash received up to \$107,000
	Return required to be filed under § 6050V (§ 6721(e)(2)(D)) - Greater of (i) \$530 or (ii) 10% of the value of the benefit of any contract with respect to which information is required to be included on the return
Revocation or denial of passport in case of certain tax delinquencies	Amount of a delinquent tax debt for 2017 is \$50,000
Periodic Payments Received under Qualified Long-Term Care Insurance Contracts or under Certain Life Insurance Contracts	The stated dollar amount of the per diem limitation under § 7702B(d)(4), regarding periodic payments received under a qualified long-term care insurance contract or periodic payments received under a life insurance contract that are treated as paid by reason of the death of a chronically ill individual, is \$360.

The IRS announced the inflation-adjusted amounts for qualified plans for 2017 in in Notice 2016-62, IR-2016-141. The IRS information has been formatted in the manner below by Edward K. Zollars, CPA in Phoenix, Arizona.

Type	2017 Amounts	2016 Amounts
Maximum annual benefit-DB Plan (§415)	\$ 215,000	\$ 210,000
Contribution limit DC Plan (§415)	54,000	53,000
Annual Compensation Limit (§404(l))	270,000	265,000
Catch up Contributions to Employer Plan	6,000	6,000
Elective Deferrals (§402(g))	18,000	18,000
Highly Compensated Employee (§414(q))	120,000	120,000
Key Employee Compensation (§416(i))	175,000	170,000
SIMPLE Deferral Limitation (§408(p))	12,500	12,500
SIMPLE Catch Up Contribution (414(v)(2)(B))	3,000	3,000
SEP Compensation Limit (§408(k))	600	600
IRA Limitations		
Maximum IRA Contribution (before catch-up) (§219(b)(5)(A))	5,500	5,500
Deduction phases out for individuals that are an active participant in an employer plan for adjusted gross income between	Single and Head of Household - \$62,000 to \$72,000	Single and Head of Household - \$61,000 to \$71,000
	Married Filing Joint - \$99,000 - \$119,000	Married Filing Joint - \$98,000 - \$118,000
	Married Filing Separate - \$0 - \$10,000	Married Filing Separate - \$0 - \$10,000
Deduction phases out for individuals whose spouse is an active participant in an employer plan phases out between	\$186,000 - \$196,000	\$184,000 - \$194,000
Roth IRA Maximum Contribution Phaseout Begins:		

Married filing joint	186,000	184,000
Other except married filing separate	118,000	11