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## IRS AND SOCIAL SECURITY ADMINISTRATION RELEASE 2015 INCOME AND TRANSFER TAX ADJUSTMENTS

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### INFLATION-ADJUSTED THRESHOLD AND CEILING INCREASES

The Social Security Administration and the IRS have released their 2015 list of CPI-adjusted items that will affect individual income, payroll and transfer tax calculations for 2015. We have provided you with some of the key provisions in the following grids.

#### INCOME TAXES

Threshold amounts above which the top regular and alternative minimum tax (AMT) rates apply.

	<u>2015</u>	<u>2014</u>
<b>39.6% bracket threshold:</b>	<b>Taxable income above:</b>	<b>Taxable income above:</b>
Joint returns / surviving spouses	\$464,850	\$457,600
Heads of household	\$439,000	\$432,200
Other unmarried individuals	\$413,200	\$406,750
Married filing separately	\$232,425	\$228,800
Estates and Trusts	\$12,300	\$12,150
<b>AMT 28% bracket threshold:</b>	<b>AMTI above:</b>	<b>AMTI above:</b>
Joint returns / surviving spouses	\$185,400	\$182,500
Other unmarried individuals	\$185,400	\$182,500
Married filing separately	\$92,700	\$91,250
Estates and Trusts	\$185,400	\$182,500

Personal exemption, standard deduction and foreign income exclusion amounts:

	<u>2015</u>	<u>2014</u>
Personal exemption amount	\$4,000	\$3,950
<b>Personal exemption phased-out:</b>	<b>Beginning/ending at AGI of:</b>	<b>Beginning/ending at AGI of:</b>
Joint returns / surviving spouses	\$309,900 / \$432,400	\$305,050 / \$427,550
Heads of households	\$284,050 / \$406,550	\$279,650 / \$402,150
Other unmarried individuals	\$258,250 / \$380,750	\$254,200 / \$ 376,700
Married filing separately	\$154,950 / \$216,200	\$152,525 / \$213,775
<b>Standard deduction:</b>		
Joint returns / surviving spouses	\$12,600	\$12,400
Heads of households	\$9,250	\$9,100
Other unmarried individuals	\$6,300	\$6,200
Married filing separately	\$6,300	\$6,200
Foreign income exclusion amount	\$100,800	\$99,200

AMT exemption amounts and the AMT exemption phase-out amounts:

<b>AMT exemption amounts:</b>		
Joint returns / surviving spouses	\$83,400	\$82,100
Unmarried individuals	\$53,600	\$52,800
Married filing separately	\$41,700	\$41,050
Estates and Trusts	\$23,800	\$23,500
<b>AMT exemption phased-out:</b>		
Joint returns / surviving spouses	\$158,900	\$156,500
Other unmarried individuals	\$119,200	\$117,300
Married filing separately	\$79,450	\$78,250
Estates and Trusts	\$79,450	\$78,250

## PAYROLL TAXES

Employment taxes imposed on wage earners:

	<u>2015</u>	<u>2014</u>
<b>Social Security tax wage base:</b>		
Wage ceiling amount	\$118,500	\$117,000
Maximum tax (rate = 6.2%)	\$7,347.00	\$7,254.00
<b><u>1.45% Medicare tax wage bracket:</u></b>		
Joint filers	First \$250,000 of wages	First \$250,000 of wages
Married separate taxpayers	First \$125,000 of wages	First \$125,000 of wages
Other wage-earners	First \$200,000 of wages	First \$200,000 of wages
<b><u>2.35% Medicare tax wage bracket:</u></b>		
Joint filers	Wages above \$250,000	Wages above \$250,000
Married separate taxpayers	Wages above \$125,000	Wages above \$125,000
Other wage-earners	Wages above \$200,000	Wages above \$200,000

Self-employment (SE) taxes:

	<u>2015</u>	<u>2014</u>
<b>Social Security tax wage base:</b>		
SE income ceiling amount	\$118,500	\$117,000
Maximum tax (rate = 12.4%)	\$14,694.00	\$14,508.00
<b><u>2.9% Medicare tax wage bracket:</u></b>		
Joint filers	First \$250,000 of wages	First \$250,000 of wages
Married separate taxpayers	First \$125,000 of wages	First \$125,000 of wages
Other SE income-earners	First \$200,000 of wages	First \$200,000 of wages
<b><u>3.8% Medicare tax wage bracket:</u></b>		
Joint filers	Wages above \$250,000	Wages above \$250,000
Married separate taxpayers	Wages above \$125,000	Wages above \$125,000
Other SE income-earners	Wages above \$200,000	Wages above \$200,000

## TRANSFER TAXES

Estate and gift tax exclusions and valuation limitation:

	<u>2015</u>	<u>2014</u>
Basic estate / gift tax exclusion	\$5,430,000	\$5,340,000
Generation-skipping tax exclusion	\$5,430,000	\$5,340,000
Gift tax annual exclusion	\$14,000	\$14,000
For gifts to a non-citizen spouse	\$147,000	\$145,000
Special use value reduction limit	\$1,100,000	\$1,090,000

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