

AUTO, TRAVEL, MEALS & ENTERTAINMENT

FULLY DEDUCTIBLE	2016	2015
Business travel	-	-
Auto standard mileage rate	54¢/mile	57.5¢/mile
Medical travel	19¢/mile	23¢/mile
Moving expense	19¢/mile	23¢/mile
Charitable travel	14¢/mile	14¢/mile

- 50% DEDUCTIBLE
 - Business entertainment
 - Business meals, including taxes, tips
 - Qualified banquet meetings
- NOT DEDUCTIBLE
 - Educational travel
 - Investment seminars
 - Luxury skybox cost in excess of normal ticket cost
 - Club dues

CORPORATE INCOME TAX RATES

TAXABLE INCOME	TAX RATE
\$0 - \$50,000	15%
\$50,001 - \$75,000	25%
\$75,001 - \$100,000	34%
\$100,001 - \$335,000	39%
\$335,001 - \$10,000,000	34%
\$10,000,001 - \$15,000,000	35%
\$15,000,001 - \$18,333,333	38%
\$18,333,334+	35%
Alternative minimum tax rate is 20%.	
Personal service corporations: 35% flat tax rate.	

SOCIAL SECURITY & MEDICARE TAXES

WAGE BASE		TAX RATE	SELF EMPLOYMENT TAX RATE
2016	2015		
\$ 118,500	\$ 118,500	7.65%	15.3%
\$118,501-unlimited	\$118,501-unlimited	1.45%	2.9%
Adjustment to income allowed for one half (50%) of the self-employment tax.			

INTEREST DEDUCTIONS

	2016	2015	EXAMPLES
Personal	NONE	NONE	-Auto loans -Credit cards
Investment	Up to net investment income	Up to net investment income	-Stocks/bonds -Land
Qualified residence	100%	100%	-Principal and second residence (with limitation)
Trade or business	100%	100%	-Asset purchases -Working capital
Passive	Net passive income	Net passive income	-Rental activities -Limited partnership interests
Education (“Above the Line”)	Up to \$2,500	Up to \$2,500	-Student loans (with limitations)

ESTIMATED TAX PAYMENTS

- To avoid possible underpayment penalties, pay in through withholding or estimated tax payments:
- For 2016 - lesser of:
1. 100% of prior year tax liability (if 2015 AGI < \$150,000 MFJ); otherwise 110% of prior year tax liability

2. 90% of current year tax liability
- Estimated tax payments for individuals are due by:
- April 15 • June 15 • September 15 • January 15 of subsequent year

*State and local payments deductible in year of payment

RETIREMENT PLAN DEDUCTION LIMITS
EXCLUDING “CATCH-UP” PAYMENTS FOR INDIVIDUALS OVER 50 YEARS OF AGE

	2016	2015
401(k) maximum salary deferral limitation	\$18,000	\$18,000
Simple retirement account	\$12,500	\$12,500
Roth IRA (non-deductible)	\$5,500	\$5,500
Roth IRA - AGI phase-out:		
Married - Joint	\$184-194K	\$183-193K
Single, Head of household	\$117-132K	\$116-131K
Married - Separate	\$0-10K	\$0-10K
Roth IRA Conversion - AGI maximum	N/A*	N/A*
*In 2015 and 2016, the income restrictions are eliminated for Roth IRA conversions.		

PROFIT SHARING AND PENSION PLANS (DEDUCTIBLE CONTRIBUTIONS)	
Corporate	25% up to \$53,000 for 2016
Self-employed retirement plan	20%** up to \$53,000 for 2016
**Of net self-employment income	

INDIVIDUAL RETIREMENT ACCOUNTS (TAXPAYER OR SPOUSE)	
Not a participant in another plan:	\$5,500*** maximum

Active in another plan:				
MARRIED AGI****			SINGLE AGI	
2016	2015	DEDUCTION	2016	2015
\$0-97,999	\$0-97,999	Full	\$0-60,999	\$0-60,999
\$98,000-\$118,000	\$98,000-\$118,000	Partial	\$61,000-\$71,000	\$61,000-\$71,000
>\$118,000	>\$118,000	None	>\$71,000	>\$71,000
\$5,500	\$5,500	Maximum	\$5,500	\$5,500
\$1,000	\$1,000	Catch-up	\$1,000	\$1,000
*** Also up to \$5,500 plus catch-up for non-working spouse.				
****Non-participant spouse can make a full deductible contribution if MAGI is less than \$184,000. For married persons filing separate returns, the range for a partial deduction is \$0-10,000.				

CAPITAL GAINS

	2016	2015
HOLDING PERIOD		
Short-term	12 months or less	12 months or less
Long-term	More than 12 months	More than 12 months
MAXIMUM TAX RATES*		
Short-term	Ordinary	Ordinary
Long-term (\$400,000+ AGI single; \$450,000+ MFJ)	20%	20%
Long-term	15%	15%
Long-term (15% bracket taxpayer)	0%	0%
Collectibles	28%	28%
Depreciable real estate:		
Depreciation recapture	25%	25%
Economic profit	15%	15%
Capital losses	**	**
SALE OF PRINCIPAL RESIDENCE		
Excludible amount	\$250,000	\$250,000
Qualified married couples	\$500,000	\$500,000
*May also be subject to the 3.8% Medicare tax if AGI is above \$250,000 (MFJ) or \$200,000 (single).		
**Net capital losses can be offset against category of long-term gains with highest tax rate.		

EDUCATION INCENTIVES

In general: a variety of effective dates, gross income phaseouts and definitions are contained in the statute. We strongly recommend that you discuss these rules with your tax advisor in order to use them most effectively.

PROVISION	2016 Amount	2015 Amount
American Opportunity credit (per student) (now includes the first four years of education)	\$2,500	\$2,500
Lifetime learning credit	\$2,000	\$2,000
Tuition and fees deduction*	\$4,000	\$4,000
Student loan interest deduction	\$2,500	\$2,500
Coverdell education savings account (per child under 18 or “special needs beneficiary”)	\$2,000	\$2,000
Qualified state tuition program	**	**
Exclusion for employer-paid assistance	\$5,250	\$5,250
*Tuition and fees deduction is set to expire in 2017		
**As determined by state plan		

ALTERNATIVE MINIMUM TAX


Base Alternative Minimum Taxable Income****	% on Excess over Base
\$0-186,300	26%
186,300+	28%
****In excess of the exemption amount	

SECTION 179 ELECTION TO EXPENSE

	2016	2015
Maximum amount	\$500,000	\$500,000
Phase-out begins	\$2,000,000	\$2,000,000
50% bonus depreciation is set to expire in 2020.		

QUICK TAX FACTS
2015-2016

TAXES



MOORE STEPHENS TILLER LLC

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

ATLANTA ⚡ COASTAL GEORGIA ⚡ GWINNETT

www.mstiller.com

Atlanta
780 Johnson Ferry Road
Suite 325
Atlanta, GA 30342
(404) 256-1606
Fax: (404) 255-6114

Coastal Georgia
777 Gloucester Street
Suite 201
Brunswick, GA 31520
(912) 265-1750
Fax: (912) 264-4976

Gwinnett
1960 Satellite Boulevard
Suite 3600
Duluth, GA 30097
(770) 995-8800
Fax: (770) 995-0601

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2016 INDIVIDUAL TAX RATE SCHEDULES*

MARRIED TAXPAYERS JOINT OR SURVIVING SPOUSE		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$18,550	\$1,855	15%
\$75,300	\$10,368	25%
\$151,900	\$29,518	28%
\$231,450	\$51,792	33%
\$413,350	\$111,819	35%
\$466,950	\$130,579	39.6%

MARRIED TAXPAYERS FILING SEPARATELY		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$9,275	\$928	15%
\$37,650	\$5,184	25%
\$75,950	\$14,759	28%
\$115,725	\$25,896	33%
\$206,675	\$55,909	35%
\$233,475	\$65,289	39.6%

SINGLE TAXPAYERS		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$9,275	\$928	15%
\$37,650	\$5,184	25%
\$91,150	\$18,559	28%
\$190,150	\$46,279	33%
\$413,350	\$119,935	35%
\$415,050	\$120,530	39.6%

HEAD OF HOUSEHOLD		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$13,250	\$1,325	15%
\$50,400	\$6,898	25%
\$130,150	\$26,835	28%
\$210,800	\$49,417	33%
\$413,350	\$116,259	35%
\$441,000	\$125,936	39.6%

ESTATES AND TRUSTS		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	15%
\$2,550	\$383	25%
\$5,950	\$1,233	28%
\$9,050	\$2,101	33%
\$12,400	\$3,206	39.6%

*There is an additional 0.9% Medicare tax on wages and S/E income in excess of \$250,000 (MFJ) or \$200,000 (single). There is also an additional 3.8% Medicare tax on the lesser of net investment income or the excess of AGI over \$250,000 (MFJ) or \$200,000 (single).

2015 INDIVIDUAL TAX RATE SCHEDULES*

MARRIED TAXPAYERS JOINT OR SURVIVING SPOUSE		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$18,450	\$1,845	15%
\$74,900	\$10,313	25%
\$151,200	\$29,388	28%
\$230,450	\$51,578	33%
\$411,500	\$111,324	35%
\$464,850	\$129,997	39.6%

MARRIED TAXPAYERS FILING SEPARATELY		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$9,225	\$923	15%
\$37,450	\$5,156	25%
\$75,600	\$14,694	28%
\$115,225	\$25,789	33%
\$205,750	\$55,662	35%
\$232,425	\$64,998	39.6%

SINGLE TAXPAYERS		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$9,225	\$923	15%
\$37,450	\$5,156	25%
\$90,750	\$18,481	28%
\$189,300	\$46,075	33%
\$411,500	\$119,401	35%
\$413,200	\$119,996	39.6%

HEAD OF HOUSEHOLD		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$13,150	\$1,315	15%
\$50,200	\$6,873	25%
\$129,600	\$26,723	28%
\$209,850	\$49,193	33%
\$411,500	\$115,737	35%
\$439,000	\$125,362	39.6%

ESTATES AND TRUSTS		
Base Taxable Income	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	15%
\$2,500	\$375	25%
\$5,900	\$1,225	28%
\$9,050	\$2,107	33%
\$12,300	\$3,180	39.6%

*There is an additional 0.9% Medicare tax on wages and S/E income in excess of \$250,000 (MFJ) or \$200,000 (single). There is also an additional 3.8% Medicare tax on the lesser of net investment income or the excess of AGI over \$250,000 (MFJ) or \$200,000 (single).

INDIVIDUALS

STANDARD DEDUCTIONS*	2016	2015
Joint return	\$12,600	\$12,600
Married filing separately	\$6,300	\$6,300
Single	\$6,300	\$6,300
Head of household	\$9,300	\$9,250
Additional - blind or elderly		
Single	\$1,550	\$1,550
Married	\$1,250	\$1,250
Dependent (minimum standard deduction)	\$1,050	\$1,050
PERSONAL EXEMPTIONS		
Deduction for each taxpayer, spouse and dependent	\$4,050	\$4,000
Minimum exemption after phase-out	\$0**	\$0**
TAXABLE INCOME		
Child tax credit (qualifying child under age 17)	\$1,000	\$1,000
*You are allowed to deduct the greater of your standard deduction or your itemized deductions. Taxpayers have the choice of deducting either income taxes or state and local sales taxes. **In 2015, the exemption is subject to a phase-out that begins with AGI of \$258,250 (\$309,900 MFJ).It phases out completely at \$380,750 (\$432,400 MFJ). Itemized deductions are reduced by 3% of the amount by which AGI exceeds a certain threshold amount (\$258,250 single or \$309,900 MFJ) , with the reduction not to exceed 80% of the otherwise allowable itemized deductions. **In 2016, the exemption is subject to a phase-out that begins with AGI of \$259,400 (\$311,300 MFJ). It phases out completely at \$381,900 (\$433,800 MFJ). Itemized deductions are reduced by 3% of the amount by which AGI exceeds a certain threshold amount (\$259,400 single or \$311,300 MFJ) , with the reduction not to exceed 80% of the otherwise allowable itemized deductions.		

ESTATE & GIFT TAX RATE SCHEDULES

TABLE A			
COLUMN A	COLUMN B	COLUMN C	COLUMN D
TAXABLE AMOUNT OVER	TAXABLE AMOUNT NOT OVER	TAX ON AMOUNT IN COLUMN A	RATE OF TAX ON EXCESS OVER AMOUNT IN COLUMN A
\$0	\$10,000	\$0	18%
\$10,000	\$20,000	\$1,800	20%
\$20,000	\$40,000	\$3,800	22%
\$40,000	\$60,000	\$8,200	24%
\$60,000	\$80,000	\$13,000	26%
\$80,000	\$100,000	\$18,200	28%
\$100,000	\$150,000	\$23,800	30%
\$150,000	\$250,000	\$38,800	32%
\$250,000	\$500,000	\$70,800	34%
\$500,000	\$750,000	\$155,800	37%
\$750,000	\$1,000,000	\$248,300	39%
\$1,000,000		\$345,800	40%
For decedents dying in 2016, the maximum marginal rate is 40% over \$5,450,000.			

TABLE B UNIFIED CREDIT EQUIVALENT FOR ESTATE & GIFT TAX	
For decedents dying in 2015, \$5,430,000. For decedents dying in 2016, \$5,450,000.	

TABLE C GIFT TAX		
	2016	2015
Annual exclusion	\$14,000	\$14,000
Maximum gift tax credit	\$2,125,800	\$2,117,800

TABLE D GENERATION-SKIPPING TAX EXEMPTION	
For 2015, the GST exemption is \$5,430,000 with a maximum rate of 40%. For 2016, the GST exemption is \$5,450,000 with a maximum rate of 40%.	