

BUSINESS

Depreciation

36-Month Assets (Straight-Line)

Most software

3-Year Assets (200% DB)

Dies, molds, small tools, certain horses, tractor units

5-Year Assets (200% DB)

Autos, computers, office machinery, taxis, buses, trucks, cattle, private aircraft, appliances, carpeting, furniture

7-Year Assets (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

7-Year Assets (150% DB)

Farm equipment

15-Year Assets (150% DB)

Land improvements, retail fuel outlets, leasehold property, restaurant property

27.5-Year Assets (Straight-Line)

Rental houses, apartments, low-income housing, furnaces, water pipes, venting

39-Year Assets (Straight-Line)

Nonresidential buildings

Personal Property Depreciation

Percent of Original Depreciable Basis under 200% DB

Method

(Not applicable for mid-quarter convention)

| Recovery Year | 3-Year Class | 5-Year Class | 7-Year Class |
|---------------|--------------|--------------|--------------|
| 1 | 33.33 | 20.00 | 14.29 |
| 2 | 44.45 | 32.00 | 24.49 |
| 3 | 14.81 | 19.20 | 17.49 |
| 4 | 7.41 | 11.52 | 12.49 |
| 5 | | 11.52 | 8.93 |
| 6 | | 5.76 | 8.92 |
| 7 | | | 8.93 |
| 8 | | | 4.46 |

Section 179 Expense

| | 2017 | 2016 |
|--------------------------|--------------|--------------|
| Maximum expense election | \$ 510,000 | \$ 500,000 |
| Phaseout threshold | \$ 2,030,000 | \$ 2,010,000 |

CORPORATE INCOME TAX RATES

Regular Tax

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 50,000 | 15% | \$ 0 |
| \$ 50,001 – \$ 75,000 | \$ 7,500 + 25% | \$ 50,000 |
| \$ 75,001 – \$ 100,000 | \$ 13,750 + 34% | \$ 75,000 |
| \$ 100,001 – \$ 335,000 | \$ 22,250 + 39% | \$ 100,000 |
| \$ 335,001 – \$ 10,000,000 | \$ 113,900 + 34% | \$ 335,000 |
| \$ 10,000,001 – \$ 15,000,000 | \$ 3,400,000 + 35% | \$ 10,000,000 |
| \$ 15,000,001 – \$ 18,333,333 | \$ 5,150,000 + 38% | \$ 15,000,000 |
| \$ 18,333,334 and above | a flat 35% | |

Personal Service Corporations — 35% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

ESTATE AND GIFT TAXES

Estate Taxes

| | 2017 | 2016 |
|---------------------------|--------------|--------------|
| Estate tax exemption | \$ 5,490,000 | \$ 5,450,000 |
| Unified estate tax credit | \$ 2,141,800 | \$ 2,125,800 |
| Top estate tax rate | 40% | 40% |

Gift Taxes

| | 2017 | 2016 |
|-----------------------------|--------------|--------------|
| Lifetime gift tax exemption | \$ 5,490,000 | \$ 5,450,000 |
| Annual gift tax exclusion | | |
| Gifts per person | \$ 14,000 | \$ 14,000 |
| Joint gifts by spouse | \$ 28,000 | \$ 28,000 |
| Top gift tax rate | 40% | 40% |

LONG-TERM CARE INSURANCE

If you are: You may deduct this much of your annual premiums

| | 2017 | 2016 |
|--------------|----------|----------|
| Over 70 | \$ 5,110 | \$ 4,870 |
| 61 to 70 | \$ 4,090 | \$ 3,900 |
| 51 to 60 | \$ 1,530 | \$ 1,460 |
| 41 to 50 | \$ 770 | \$ 730 |
| 40 and under | \$ 410 | \$ 390 |

CAPITAL GAINS — 2017 & 2016

Holding Period Top Capital Gains Rate

| | 2017 | 2016 |
|---|--------------------|--------------------|
| 12 months or less | 39.6% ¹ | 39.6% ¹ |
| More than 12 months | 20% ^{1,2} | 20% ^{1,2} |
| Depreciation recapture on real estate | 25% | 25% |
| Collectibles and certain small business stock | 28% | 28% |

¹ Capital gain rates may be subject to an additional 3.8% Medicare tax.

² Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.)

COVERDELL ESAs — 2017 & 2016

| | 2017 | 2016 |
|----------------------|--------------------------|--------------------------|
| • Contribution limit | \$ 2,000 per beneficiary | \$ 2,000 per beneficiary |
| • AGI phaseouts:* | | |
| Joint filers | \$ 190,000 – \$ 220,000 | \$ 190,000 – \$ 220,000 |
| Individual filers | \$ 95,000 – \$ 110,000 | \$ 95,000 – \$ 110,000 |

* Phaseout applies to the contributor, not the beneficiary.

STANDARD MILEAGE RATES

| Use | 2017 | 2016 |
|------------|----------------|--------------|
| Business | 53.5¢ per mile | 54¢ per mile |
| Moving | 17¢ per mile | 19¢ per mile |
| Medical | 17¢ per mile | 19¢ per mile |
| Charitable | 14¢ per mile | 14¢ per mile |

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TAX POCKET GUIDE

