

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

