



2023 TAX GUIDE

MARRIED FILING JOINTLY FEDERAL INCOME TAX BRACKETS

Taxable Income	Marginal Tax Rate	Total Tax and Average Tax Rate at Top of this Bracket
\$0-\$20,000	10%	\$2,200 / 10%
\$20,001-\$89,450	12%	\$10,294 / 11.5%
\$89,451-\$190,750	22%	\$32,580 / 17.1%
\$190,751-\$364,200	24%	\$74,207 / 20.4%
\$364,201-\$462,500	32%	\$105,663 / 22.8%
\$462,501-\$693,750	35%	\$186,600 / 26.9%
\$693,751	37%	

Capital Gains Rates for Married Filing Jointly taxpayers, the long-term capital gains tax rate is 0% up to \$89,250 of taxable income, 15% up to \$553,850 and 20% for those with taxable income of \$553,851 or more.

SINGLE FILER FEDERAL INCOME TAX BRACKETS

Taxable Income	Marginal Tax Rate	Total Tax and Average Tax Rate at Top of this Bracket
\$0-\$11,000	10%	\$1,100 / 10%
\$11,001-\$44,725	12%	\$5,147 / 11.5%
\$44,726-\$95,375	22%	\$16,290 / 17.1%
\$95,376-\$182,100	24%	\$37,103 / 20.4%
\$182,101-\$231,250	32%	\$52,831 / 22.8%
\$231,251-\$578,125	35%	\$174,237 / 30.1%
\$578,126	37%	

Capital Gains Rates for Single Filer taxpayers, the long-term capital gains tax rate is 0% up to \$44,625 of taxable income, 15% up to \$492,300 and 20% for those with taxable income of \$492,301 or more.



OTHER REFERENCE FIGURES

- Kansas top bracket is 5.7%
- Missouri top bracket is 4.95%
- All personal exemptions have been suspended for tax years 2018 to 2025.
- The **standard deduction** is **\$13,850** for individuals and **\$27,700** for married taxpayers filing jointly.
- For **trusts**, the **37%** bracket applies to income over **\$14,450**.

ADDITIONAL MEDICARE TAXES

- The **Unearned Income Medicare Tax** or “Medicare Surtax” is triggered for taxpayers with an AGI over **\$200,000/\$250,000** for single/joint filers respectively. The tax is **3.8%** on the lesser of net investment income or the amount of AGI above the threshold. Net investment income includes dividends, capital gains, rent and royalty income and non-qualified annuities. It does not include Social Security, wages or tax-exempt income.
- The **Additional Medicare Tax** is 0.9% on earned income for taxpayers with an AGI over \$200,000/\$250,000 for single/joint filers respectively. This is in addition to the pre-existing 1.45% Medicare portion of FICA taxes that all workers pay.

RETIREMENT PLAN CONTRIBUTIONS

Account	Contribution Limit	Catch-up contributions for people age 50 or older
401(k), 403(b) and 457 *	\$22,500	\$7,500
IRA's and Roth IRA's	\$6,500	\$1,000
SEP IRA	25% of compensation**, up to \$66,000	None
Individual 401(k)	25% of compensation**, plus \$22,500 up to a total of \$66,000	\$6,500
Simple IRA	\$15,500	\$3,500

* Contributions to 401(k) & 403(b) are combined for limit purposes; 457 contributions are in addition.

** Subject to special calculation for self-employment income.

Deductibility of Traditional IRA contributions is affected by the following phase out ranges:

- Individual AGI of \$73,000 and \$83,000 for single filers covered by a workplace plan
- Joint AGI of \$116,000 and \$136,000 for married persons covered by a workplace plan
- Joint AGI of \$218,000 and \$228,000 for married persons whose spouse is covered by a workplace plan

Allowance of Roth IRA contributions is affected by the following phase out ranges:

- AGI of \$218,000 - \$228,000 for married couples filing jointly
- AGI of \$138,000 - \$153,000 for single filers

GIFT AND ESTATE TAXES

- The gift tax annual exclusion amount is **\$17,000** per donee, per donor.
- The individual **estate tax exemption** is **\$12,920,000 million**. **Estate tax rates** reach a maximum rate of 40% on taxable estates of \$1 million and up.

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