

# 2013 Farm Income Tax School

SUMMARY OF TAX RATES, TABLES &  
OFTEN USED ITEMS

ADDITIONAL MATERIALS

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**FEDERAL INCOME TAX INFORMATION  
FOR 2013 RETURNS PREPARED IN 2014**

**STANDARD DEDUCTION 2013**

Married filing joint	\$12,200	Add'l. deduction if blind &/or 65 or over (each):
Head of Household	\$ 8,950	Married Qualifying Widow(er)
Single	\$ 6,100	Single/HOH
Married Filing Separately	\$ 6,100	Married Filing Separately
Qualifying Widower	\$12,200	

Standard Deduction for dependent taxpayer equals the greater of \$1,000 or the sum of \$300 and dependent's earned income up to basic standard deduction of \$6,100.

<b><u>PERSONAL EXEMPTION</u></b>		<b><u>FOREIGN EARNED INC EXCLUSION</u></b>		<b><u>SE HEALTH INS DEDUCTION</u></b>
2013	\$3,900	2013	\$97,600	BEG. 2003 & AFTER – 100%
2014	\$3,950	2014	\$99,200	

**MILEAGE ALLOWANCE**

	<u>Jan 1, 2013 – Dec 31, 2013</u>	<u>Jan 1, 2014 – Dec 31, 2014</u>
Business	56.5¢ per mile	56¢ per mile
Medical/Moving	24.0¢ per mile	23.5¢ per mile
Charity (Iowa)	39.0¢ per mile	39.0¢ per mile
Charity (Federal)	14.0¢ per mile	14.0¢ per mile

Mail Carrier: If actual expenses exceed equipment maintenance allowance, difference is a miscellaneous itemized deduction (Form 2106).

**2013 MEAL ALLOWANCE WITHOUT RECORDS**

Transportation Industry: Within Continental US - \$59.00; Outside Continental US - \$65.00

Non-Transportation Industry: Within Continental US - \$52.00; High Cost Areas - \$65.00

(For specific high cost designated areas, see [www.gsa.gov](http://www.gsa.gov))

Reduce cost of meals by 50% and if employee, subject to 2% AGI floor since taken on Schedule A. For employees subject to D.O.T. hours of service rules, use 80% for 2008 and after. If a taxpayer is traveling away from home for only a portion of the day, the taxpayer may deduct 75% of the M&IE per diem rate or may prorate the deduction according to a consistently applied reasonable business practice. **NOTE:** The incidental expenses only rate is \$5/day. IRS Notice 2013-65, 2013-42 IRB.

**2013 PRODUCTION COSTS FOR SELF USE**

Beef \$118.00 cwt. Live weight (\$900 /head)	Eggs \$.58 per dozen
Pork \$47.00 cwt. Live weight (\$123/head)	Milk \$13.70 cwt. (\$1.17/gal)
Lamb \$72.00 cwt. Live weight (\$90/head)	Chicken \$1.43 per 4 lb. bird

(Add on for hired labor, high interest, purchased grain)

**QUALIFIED TRANSPORTATION FRINGE**  
**(MONTHLY LIMITS)**

	<b><u>2013</u></b>	<b><u>2014</u></b>
Vehicle/transit pass	\$245	\$130
Qualified Parking	\$245	\$250
Qualified Bicycle	\$ 20	\$ 20

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**ESTIMATED TAX PAYMENT SAFE HARBOR**

General Rule: 90% of current year tax liability; or  
100% of prior year tax liability (110% of prior year tax liability  
if AGI over \$150,000 (MFJ)/\$75,000 (MFS)).

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**SECTION 179 EXPENSING**

2013	\$500,000* (plus inflation adjustment)
2014	\$25,000 (plus inflation adjustment)

\*subject to reduction if more than \$2,000,000 of purchases. Phased out completely at \$2,500,000.  
See limit of \$25,000 for heavy SUVs. SPECIAL BONUS DEPRECIATION - 50% Special Depreciation is  
allowed for qualified new property acquisitions.

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**LUXURY AUTO & LIGHT TRUCK/VAN DEPRECIATION LIMITS - 2013**

	<u>Auto</u>	<u>Lt. Truck/Van</u>
Year 1	\$3,160/\$11,160	\$3,360/\$11,360
Year 2	\$5,100	\$5,400
Year 3	\$3,050	\$3,250
Year 4	\$1,875	\$1,975

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**GASOLINE TAX RATES**

<b><u>IOWA</u></b>	<b><u>FEDERAL</u></b>
<u>Jan. 1, 2013 – Dec 31, 2013</u>	Gasoline – 18.3¢
Gasoline - 21¢	Ethanol Blended Gasoline (10%) – 18.3¢
Ethanol Blended Gasoline & E85 - 19¢	

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**MAXIMUM DEDUCTIBLE 401(K) CONTRIBUTION**

2013	\$17,500 / \$23,000*
2014	\$17,500/ \$23,000*

**MAX DEDUCTIBLE SIMPLE PLAN**

2013	\$12,000 / \$14,500*
2014	\$12,000/ \$14,500*

\* Age 50 catch up contribution

**MAX IRA CONTRIBUTION**

2013	\$5,500 / \$6,500*
2014	\$5,500 / \$6,500*

**LONG TERM CARE PREMIUM LIMIT PER PERSON FEDERAL**

<b>AGE</b>	<b>2013</b>	<b>2014</b>
0 -40	\$ 360	\$370
Over 40 – 50	\$ 680	\$700
Over 50 – 60	\$1360	\$1,400
Over 60 – 70	\$3640	\$3,720
Over 70	\$4550	\$4,660

2013 excludable long term care per diem: \$320; 2014 = \$330.

**NOTE:** Iowa has no limitation on deductible amount.

**CAPITAL GAINS TAX RATES**

<b>DATE OF SALE</b>	<b>HOLDING PERIOD</b>	<b>Taxpayer's Ending Rate</b>		
		<b>15%</b>	<b>25% and over pre-2013</b>	<b>39.6% and over 2013 &amp; after</b>
Prior to 5/7/97	12 months	15%	28%	N/A
After 5/6/97 & prior to 7/29/87	12 months	10%	20%	N/A
After 7/28/97 & prior to 1/1/98	12 months	15%	28%	N/A
After 7/28/97 & prior to 1/1/98	18 months	10%	20%	N/A
After 12/31/97 & prior to 5/6/03	12 months	10%	20%	N/A
After 5/5/03 & prior to 1/1/08*	12 months	5%	15%	N/A
After 12/31/07 & prior to 1/1/13	12 months	0%	15%	N/A
After 12/31/12	12 months	0%	15%	20%

\* Including qualifying dividends.

For tax years 2001, 2002 and through May 5, 2003 8%/18% capital gain rates may be available if five year holding period is met. For sales after May 5, 2003, the rule is abolished.

Gains on Sales of Collectibles are taxed at 28%.

IRC §1250 gains attributable to depreciation are taxed at a maximum rate of 25%.

**UNEMPLOYMENT TAX**

Non-Agricultural Employees – If one paid wages of \$1,500 or more in any calendar quarter or had one or more employees for some portion of at least one day during each of 20 different weeks.

Agricultural Employees – If cash wages of \$20,000 or more paid in any calendar quarter **OR** had 10 or more ag employees during some portion of a day (need not be at same time) at least 1 day during any 20 different weeks.

Domestic Employees – Wages of \$1,000 or more per quarter

FUTA Tax – First \$7,000 of wages subject to tax rate of 6.0% less 5.4% credit, with difference of .6% being the applicable rate.

**SUPPLEMENTAL SOCIAL SECURITY (SSI) MAXIMUM MONTHLY BENEFITS**

	<u>Single</u>	<u>Couple</u>
2010	674	1,011
2011	674	1,011
2012	698	1,048
2013	710	1,066
2014	721	1,082

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**COST OF MEDICARE – 2013 PART B MONTHLY PREMIUM**

Month	\$104.90*
Year	\$1,258.80

\*High income individuals may pay higher premium based on AGI.

**Part B Monthly Premium**

If Your Yearly Income in 2011 was		You pay
File Individual Tax Return	File Joint Tax Return	
\$85,000 or less	\$170,000 or less	\$104.90
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	\$146.90
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	\$209.80
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	\$272.70
above \$214,000	above \$428,000	\$335.70

**2013 COLA FOR SOCIAL SECURITY IS 1.7%**

**2014 COLA FOR SOCIAL SECURITY IS 1.5%**

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**SOCIAL SECURITY TAX & MEDICARE TAX**

<u>2013 Employee</u>	<u>2013 Self-Employed</u>
.062	.1240
<u>.0145*</u>	<u>.0290*</u>
.0765	.1530

\*Medicare portion of FICA tax increases by .009 for wages and .009 for self-employed earnings over \$250,000 for MFJ or Qualified Widow(er)/\$125,000 MFS; and over \$200,000 for Single or HOH.

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**EXCLUSION OF SOCIAL SECURITY BENEFITS FROM TAXABLE INCOME**

Joint Return	\$32,000
Single Return	\$25,000
Married, Living together	
Filing Separately	\$ - 0 -

**MAXIMUM EARNINGS ALLOWED SOCIAL SECURITY RECIPIENTS WITHOUT PENALTY**

<u>Year</u>	<u>Age 62 to 65*</u>	<u>Age 65 to 70</u>
2009 - 2011	\$14,160	unlimited**
2012	\$14,640	unlimited**
2013	\$15,120	unlimited**
2014	\$15,480	unlimited**

\* Excess earnings result in loss of \$1 for each \$2 earned above ceiling if age 62 – full retirement age.

\*\* No limitation on earnings in and after the month in which a person attains full retirement age. If born between 1943 and 1954, full retirement age is 66 years.

Limitation for part of calendar year (during which the taxpayer reaches full retirement age) up to the date of full retirement; \$40,080 (\$3,340/mo.) for 2013; \$41,400 (\$3,450/mo.) for 2014; Excess earnings result in loss of \$1 for each \$3 earned above ceiling.

**EARNED INCOME NECESSARY FOR SOCIAL SECURITY CREDIT**

2010	\$1,120 per quarter or \$4,480 per year
2011	\$1,120 per quarter or \$4,480 per year
2012	\$1,130 per quarter or \$4,520 per year
2013	\$1,160 per quarter or \$4,640 per year
2014	\$1,200 per quarter or \$4,800 per year

**MAXIMUM INCOME & TAX LIMITS**

<u>Year</u>	<b>Maximum Taxable Income</b>	
	<u>Social Security</u>	<u>Medicare</u>
2010/2011	\$106,800	No limit
2012	\$110,100	No limit
2013	\$113,700	No limit
2014	\$117,000	No limit

**FICA & SELF-EMPLOYMENT TAXES**

<u>Year</u>	<u>Maximum Wages</u>	<u>Employee Withholding</u>	<u>Maximum Withholding</u>	<u>Self-Employment</u>
2010	\$106,800	7.65%	8,170.20	15.30%*
2011	\$106,800	5.65%	6,034.20	13.30%*
2012	\$110,100	5.65%	6,220.65	13.30%*
2013	\$113,700	7.65% ^^	8,698.05	15.30%*^^
2014	\$117,000	7.65% ^^	8,950.50	15.30%^^

\*1/2 may be claimed as a deduction.

^^ Medicare portion of FICA tax increases by .009 for wages and .009 for self-employed earnings over \$250,000 for MFJ or Qualified Widow(er)/\$125,000 MFS; and over \$200,000 for Single or HOH.

**2013 RETIREMENT PLAN TAX CREDIT (Savers Credit)**

(Modified AGI)

<u>Joint</u>	<u>Head of Household</u>	<u>Single &amp; MFS</u>	<u>Credit Rate</u>
0 - \$35,500	0 - \$26,625	0 - \$17,750	50%
\$35,501 – \$38,500	\$26,626 - \$28,875	\$17,751 - \$19,250	20%
\$38,501 - \$59,000	\$28,876 - \$44,250	\$19,251 - \$29,500	10%
OVER \$59,000	OVER \$44,250	OVER \$29,500	0%

**HSA LIMITS**

	<u>2013</u>	<u>2014</u>
<b>MAXIMUM CONTRIBUTION</b>		
Individual	\$3,250	\$3,300
Family	\$6,450	\$6,550
Additional catch up amount	\$1,000	\$1,000
<b>MAXIMUM OUT OF POCKET EXPENSE</b>		
Individual	\$6,250	\$6,350
Family	\$12,500	\$12,700
<b>MINIMUM DEDUCTIBLE AMOUNT</b>		
Individual	\$1,250	\$1,250
Family	\$2,500	\$2,500

**EDUCATION CREDITS AND DEDUCTIONS**

**American Opportunity Tax Credit f/k/a Hope Tax Credit** - 100% of first \$2,000 and 25% of next \$2,000 of eligible tuition, related expenses and course materials (e.g. books, etc.); maximum \$2,500 credit **per student** for each of first **four years** of post-secondary education. Measured by academic level on January 1<sup>st</sup> of each year. 40% of the credit or a maximum of \$1,000 is refundable unless student is subject to kiddie tax.

**Lifetime Learning Credit** - 20% of eligible tuition and related expenses up to a maximum of \$10,000 of such expenses. May claim for an unlimited number of years.

Both credits subject to AGI phase out rules. Must elect between AOC **OR** Lifetime Learning Credit or Higher Education Expense Deduction.

**Higher Education Expense Deduction** – Maximum Above the Line Deduction is \$4,000 if AGI does not exceed \$65,000 (\$130,000 MFJ) or \$2,000 if AGI does not exceed \$80,000 (\$160,000 MFJ).

**Qualified Education Loan Interest Deduction** – For AGI deduction allowed up to \$2,500.

**CHILD TAX CREDIT**

\$1,000 per qualifying child under age 17 as of December 31<sup>st</sup>, subject to phase out limits based on AGI.

**CHILD CARE CREDIT**

Expenses must be incurred to be gainfully employed. Limit of \$3,000 for one child, \$6,000 for two or more. Cannot exceed earned income of a single person or earned income of spouse with least amount of earned income. (NOTE: spousal earned income exception for handicapped or full-time student spouse.) Qualifying child must be under 13 or mentally or physically incapable. Must furnish over half of expense of maintaining home for dependent. Use Form 2441. List name, address and social security number of each provider.

### **2013 EARNED INCOME CREDIT**

Need not be married or have dependents. Phase out, income and credit limits are:

#### **SINGLE OR HEAD OF HOUSEHOLD**

# Qualifying Children	Phase Out Income Limits	Maximum EIC Income Range	Maximum EIC
0	\$14,340	\$6,370 - \$7,970	\$ 487
1	\$37,870	\$9,560 - \$17,530	\$3,250
2	\$43,038	\$13,430 - \$17,530	\$5,372
3 or more	\$46,227	\$13,430 - \$17,530	\$6,044

#### **MARRIED FILING JOINTLY**

# Qualifying Children	Phase Out Income Limits	Maximum EIC Income Range	Maximum EIC
0	\$19,680	\$6,370 - \$13,310	\$ 487
1	\$43,210	\$9,560 - \$22,870	\$3,250
2	\$48,378	\$13,430 - \$22,870	\$5,372
3 or more	\$51,567	\$13,430 - \$22,870	\$6,044

Disqualified income over \$3,300 – no credit. EIC Tables – <http://www.irs.gov/pub/irs-dft/i1040tt--dft.pdf>

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#### **DAY CARE PROVIDERS**

<u>Standard Meal/Snack Rates:</u>	<u>2013</u>	<u>2014</u>
Breakfast	\$1.27	\$1.28
Lunch/Dinner	\$2.38	\$2.40
Snack	\$0.71	\$0.71
Add: Non-food items (containers, paper products, utensils, etc.)		

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#### **BEGINNING/ENDING PHASE OUT OF PERSONAL EXEMPTION**

Joint/Qualifying Widow(er)	\$300,000 - \$422,500
Single	\$250,000 - \$372,500
Head of Household	\$275,000 - \$397,500
Married Filing Separately	\$150,000 - \$211,250

NOTE: For each \$2,500 above phase out range, taxable income will increase by \$80 per \$2,500 multiple.

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#### **BEGINNING PHASE OUT OF ITEMIZED DEDUCTIONS**

Joint/Qualifying Widow(er)	\$300,000
Single	\$250,000
Head of Household	\$275,000
Married Filing Separately	\$150,000

NOTE: For income above the phase out limits, itemized deductions are reduced by the lesser of 3% of AGI or 80% of the itemized deductions otherwise allowable. For purposes of the AGI phase out, itemized deductions are **not** considered to include medical expenses, investment interest expense, casualty and theft losses and gambling losses. IRC §68(c).



## IOWA INCOME TAX RATES FOR 2013

Use the tax tables if income on line 38 is \$95,550 or less.

If taxable income on line 38 is over \$95,525, multiply the excess over \$95,525 by 8.98% (.0898) and add it to \$6,789.00.

**EXEMPTION CREDIT:** Taxpayer/Spouse \$40  
Dependent \$40  
Blind/Over 65 \$20

**EXCLUSION:** \$6,000 per taxpayer of pension benefits excluded – joint \$12,000 (does not include social security)

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### 2013 IOWA STANDARD DEDUCTION

(After deducting federal income tax)

\$1,900 Married filing separately (amount for each spouse)  
\$1,900 Single  
\$4,670 Joint, surviving spouse or unmarried head of household

Standard deduction cannot create a negative figure.

Deduct all health and long-term care insurance premiums as a Page One (line 18) deduction to arrive at Iowa net income, including health insurance premiums of 25 and 26 year old non-qualified dependents – Iowa did couple with this provision for 2012 and after.

**College Savings Plan (\$529)** – 2013 deductible amount for Iowa purposes \$3,045 per beneficiary; per donee (spouses are treated separately for this purpose).

Marginal tax rates for individuals are the same as set forth under Iowa Estates and Trusts.

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#### If STATE OF IOWA Taxable Income is:

	But Not	
Over	Over	The tax is
\$ 0	\$ 1,494	\$ 0.00 + 0.36%
\$1,494	\$ 2,988	\$ 5.38 + 0.72%
\$2,988	\$ 5,976	\$ 16.14 + 2.43%
\$5,976	\$13,446	\$ 88.75 + 4.50%
\$13,446	\$22,410	\$ 424.90 + 6.12%
\$22,410	\$29,880	\$ 973.50 + 6.48%
\$29,880	\$44,820	\$1,457.56 + 6.80%
\$44,820	\$67,230	\$2,473.48 + 7.92%
\$67,230	OVER	\$4,249.35 + 8.98%

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### IOWA DEPARTMENT OF REVENUE INTEREST RATES

2004-2005	5/10ths of 1% per month (6% per annum)
2006	7/10ths of 1% per month (8% per annum)
2007-2008	8/10ths of 1% per month (10% per annum)
2009	7/10ths of 1% per month (8% per annum)
2010-2014	4/10ths of 1% per month (5% per annum)

## FEDERAL INCOME TAX RATES FOR 2013

### Married Filing Jointly/Qualifying Widow(er)

<u>Taxable Income</u>		<u>Tax Rate</u>
<u>Over</u>	<u>But Not Over</u>	
\$	0 to \$17,850	10.0%
	17,850 to \$72,500	\$ 1,785.00 + 15.0%
	72,500 to 146,400	9,982.50 + 25.0%
	146,400 to 223,050	28,457.50 + 28.0%
	223,050 to 398,350	49,919.50 + 33.0%
	398,350 to 450,000	107,768.50 + 35.0%
	450,000 & over	125,846.00 + 39.6%

### Single

<u>Over</u>	<u>But Not Over</u>	
\$	0 to \$ 8,925	10.0%
	8,925 to 36,250	\$ 892.50 + 15.0%
	36,250 to 87,850	4,991.25 + 25.0%
	87,850 to 183,250	17,891.25 + 28.0%
	183,250 to 398,350	44,603.25 + 33.0%
	398,350 to 400,000	115,586.25 + 35.0%
	400,000 & over	116,163.75 + 39.6%

### Head of Household

<u>Over</u>	<u>But Not Over</u>	
\$	0 to \$12,750	10.0%
	12,750 to 48,600	\$ 1,275.00 + 15.0%
	48,600 to 125,450	6,652.50 + 25.0%
	125,450 to 203,150	25,865.00 + 28.0%
	203,150 to 398,350	47,621.00 + 33.0%
	398,350 to 425,000	112,037.00 + 35.0%
	425,000 & over	121,394.50 + 39.6%

### Married Filing Separately

<u>Over</u>	<u>But Not Over</u>	
\$	0 to \$ 8,925	10.0%
	8,925 to 36,250	\$ 892.50 + 15.0%
	36,250 to 73,200	4,991.25 + 25.0%
	73,200 to 111,525	14,228.75 + 28.0%
	111,525 to 199,175	24,959.75 + 33.0%
	199,175 to 225,000	53,884.25 + 35.0%
	225,000 & over	62,923.00 + 39.6%

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### ADDITIONAL MEDICARE SURTAX ON PASSIVE INCOME

A 3.8% "medicare surtax" is effective January 1, 2013 on net investment income. The 3.8% tax is on the lesser of net investment income or the taxpayer's AGI in excess of \$250,000 MFJ/Qualified Widow(er)/\$125,000 MFS; \$200,000 Single or HOH.

**2013 EXEMPTIONS FROM ALTERNATIVE MINIMUM TAX**

<b>Filing Status</b>	<b>Exemption</b>	<b>Exemption Phase-out Range</b>
Joint/Qualifying Widow(er)	\$80,800	\$153,900 - \$477,100
Single	\$51,900	\$115,400 - \$323,000
Married Filing Separately	\$40,400	\$ 76,950 - \$238,550
Estates & Trusts	\$23,100	\$ 76,950 - \$169,350
Child subject to Kiddie Tax	\$ 7,150 (plus child's earned income)	

**ALTERNATIVE MINIMUM TAX RATES (LESS EXEMPTION)**

Up to \$179,500	26% (\$89,750 if MFS)
Over \$179,500	28%

**2013 TAX RATES FOR ESTATES & TRUSTS**

**If FEDERAL Taxable Income is:**

Over	But Not Over	The tax is
\$ 0	\$2,450	15%
2,450	5,700	\$ 367.50 + 25%
5,700	8,750	1,180.00 + 28%
8,750	11,950	2,034.00 + 33%
11,950		3,090.00 + 39.6%

**NOTE:** Iowa estates/trusts rates are the same as individual rates.

### **2013 FEDERAL TAX RATES FOR CORPORATIONS**

<u>Over</u>	<u>But Not Over</u>	<u>The Tax Is</u>
\$ 0	\$50,000	15%
50,000	75,000	\$ 7,500.00 + 25.0%
75,000	100,000	13,750.00 + 34.0%
100,000	335,000	22,250.00 + 39.0%
335,000	10,000,000	113,900.00 + 34.0%
10,000,000	15,000,000	3,400,000.00 + 35.0%
15,000,000	18,333,333	5,150,000.00 + 38.0%
18,333,333		6,416,667.00 + 35.0%

The 1992 Tax Act imposed a 35% marginal tax rate on corporate taxable income in excess of \$10,000,000. The maximum rate of tax on corporate net capital gains is also 35%, as is the rate for personal service corporations. The 35% marginal rate is effective for taxable years beginning on or after January 1, 1993.

A corporation with taxable income in excess of \$15,000,000 is required to increase its tax liability by the lesser of 3% of the excess or \$100,000 to recapture the benefits of the 34% rate. This provision effectively creates a 38% rate for corporate taxable income between \$15,000,000 and \$18,333,333.

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### **2013 IOWA TAX RATES FOR CORPORATIONS**

<u>Taxable Income</u>	<u>Tax Rate</u>
Under \$25,000	6% of taxable income
\$25,000 to \$100,000	8% of taxable income and subtract \$500
\$100,000 to \$250,000	10% of taxable income and subtract \$2,500
Over \$250,000	12% of taxable income and subtract \$7,500

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**STANDARD DEDUCTION - FILING REQUIREMENTS FOR 2013**

<u>Filing Status</u>	<u>Standard Deduction</u>	<u>Must File If Income Over</u>
<b>Single and:</b>		
Under 65	\$ 6,100	\$ 10,000
65 or over	7,600	11,500
Under 65 & blind	7,600	11,500
65 or over & blind	9,100	13,000
<b>Married Filing Jointly and:</b>		
Both spouses under 65, neither blind	12,200	20,000
One spouse 65 or over	13,400	21,200
Both spouses 65 or over	14,600	22,400
One spouse blind, both under 65	13,400	21,200
Both spouses blind, both under 65	14,600	22,400
One spouse 65 or over & blind	14,600	22,400
One 65 or over, other under 65 & blind	14,600	22,400
One 65 or over, blind; one under 65, blind	15,800	23,600
Both spouses 65 or over & blind	17,000	24,800
<b>Qualifying Widow(er) and:</b>		
Under 65	12,200	16,100
Under 65 & blind	13,400	17,300
65 or over	13,400	17,300
65 or over & blind	14,600	18,500
<b>Head of Household and:</b>		
Under 65	8,950	12,850
Under 65 & blind	10,450	14,350
65 or over	10,450	14,350
65 or over & blind	11,950	15,850
<b>Married Filing Separately and:</b>		
Under 65	6,100	10,000
Under 65 & blind	7,300	11,200
65 or over	7,300	11,200
65 or over & blind	8,500	12,400
<b>Married, Living Apart at End of 2013</b>	----	3,900
<b>Individual With Tax Year of Less Than 12 Months</b>	----	3,900
<b>Children/Other Dependents and:</b>		
No unearned income	6,100	6,100
Unearned income of more than \$1	*	*
*(the greater of \$1000 or the individual's earned income plus \$300)		

**If you are 65 on January 1, 2014, you are entitled to the age 65 exemption for your 2013 tax returns.**

**STANDARD DEDUCTION - FILING REQUIREMENTS, cont'd.**

**YOU MUST FILE IF:**

- Your net self-employment earnings are \$400 or more.
- You are entitled to a refund of tax withheld from your wages or a refund based on the earned income credit for low income households.
- You are claimed as a dependent on another's return and had unearned income of \$300 or more **AND** total earned and unearned income of more than \$1,000 **OR** you had no unearned income, but your earned income was more than \$6,100.

**EXEMPTION FROM KIDDIE TAX:** For 2013, Kiddie Tax applies to a child under 18 years of age. Kiddie tax also applies to children age 18 (who are not full-time students) and for full-time students age 18-23 unless the child's earned income exceeds 50% of annual support. Use Form 8615 or Form 8814, as applicable. Exemption is \$2,000 (standard deduction of \$1,000 plus greater of standard deduction or itemized deductions related to production of investment income: \$1,000 + \$1,000 = \$2,000).

**STANDARD DEDUCTION FOR DEPENDENTS WITH EARNED INCOME OF \$1,000 OR LESS**

If your filing status is Single:

Your Standard Deduction is:

Under 65, not blind	\$1,000
65 or older or blind (\$1,000 + \$1,500)	\$2,500
65 or older and blind (\$1,000 + \$1,500 + \$1,500)	\$4,000

If your filing status is Married Filing Separately:  
(AND YOUR SPOUSE DOES NOT ITEMIZE)

Your Standard Deduction is:

Under 65, not blind	\$1,000
65 or older or blind (\$1,000 + \$1,200)	\$2,200
65 or older AND blind (\$1,000 + \$1,200 + \$1,200)	\$3,400

**COMPUTATION OF STANDARD DEDUCTION FOR DEPENDENTS UNDER 65, NOT BLIND, EARNED INCOME EXCEEDING \$1,000.**

1. Enter earned income but not less than \$1,000 \$ \_\_\_\_\_
2. Enter \$6,100 if Single **OR** \$6,100 if Married Filing Separately & spouse doesn't itemize **OR** \$8,950 if HOH **OR** \$12,200 if Qualifying Widow(er). \$ \_\_\_\_\_
3. Enter smaller of Line 1 or 2. This is your standard deduction \$ \_\_\_\_\_

**STANDARD DEDUCTIONS NEEDED FOR NET OPERATING LOSS CARRYBACK**

	<u>Joint</u>	<u>HOH</u>	<u>Single</u>	<u>Married Filing Separately</u>
2003	9,500	7,000	4,750	4,750 &
2004	9,700	7,150	4,850	4,850 *
2005	10,000	7,300	5,000	5,000 +
2006	10,300	7,550	5,150	5,150 +
2007	10,700	7,850	5,350	5,350 =
2008	10,900	8,000	5,450	5,450 <
2009	11,400	8,350	5,700	5,700 >
2010	11,400	8,400	5,700	5,700 >
2011	11,600	8,500	5,800	5,800 ~
2012	11,900	8,700	5,950	5,950 ~
2013	12,200	8,950	6,100	6,100 #
2014	12,400	9,100	6,200	6,200 ^

& ADD: \$950 if married filing joint or separately & over 65  
\$1,150 if single or HOH or over 65.

\* ADD: \$950 if married filing joint or separately & over 65  
\$1,200 if single or HOH or over 65.

+ ADD: \$1,000 if married filing joint or separately & over 65  
\$1,250 if single or HOH or over 65.

= ADD: \$1,050 if married filing joint or separately & over 65  
\$1,300 if single or HOH or over 65.

< ADD: \$1,050 if married filing joint or separately & over 65  
\$1,350 if single or HOH or over 65

> ADD: \$1,100 if married filing joint or separately & over 65  
\$1,400 if single or HOH or over 65

~ ADD: \$1,150 if married filing joint or separately & over 65  
\$1,450 if single or HOH or over 65

# ADD: \$1,200 if married filing joint or separately & over 65  
\$1,500 if single or HOH or over 65

^ ADD: \$1,200 if married filing joint or separately & over 65.  
\$1,550 if single or HOH or over 65

**PERSONAL EXEMPTIONS**

2003	\$3,050	2009	\$3,650
2004	\$3,100	2010	\$3,650
2005	\$3,200	2011	\$3,700
2006	\$3,300	2012	\$3,800
2007	\$3,400	2013	\$3,900
2008	\$3,500	2014	\$3,950

**2013 MODIFIED ADJUSTED GROSS INCOME  
THRESHOLD AMOUNTS/PHASEOUT RANGE**

**FOR SINGLE AND HEAD OF HOUSEHOLD FILERS**

<b>DESCRIPTION</b>	<b>SINGLE &amp; HEAD OF HOUSEHOLD</b>	<b>MAXIMUM CREDIT/DEDUCTION</b>
Elderly/disabled credit	\$ 7,500 - \$17,500	
Dependent care credit (20% min. credit)	\$15,000 - \$43,000	35% reduced 1% for each \$2,000 over AGI amount
Social Security Benefits taxation	\$25,000 - \$34,000 = 50% \$34,000 – above = 85%	
Lifetime Learning Credit	\$53,000 - \$63,000	\$2,000
IRA deduction (if pension coverage)	\$59,000 - \$69,000	\$5,500 max contrib. \$1000 catch-up age 50 and over
Education loan interest exp.	\$60,000 - \$75,000	\$2,500
Tuition Deduction	\$ 0 - \$65,000 \$65,001 - \$80,000 Over \$80,000	\$ 4000 \$ 2000 \$ 0
U.S. Savings Bond Interest exclusion	\$74,700 - \$89,700	To extent of qualified Education expense
Child Tax Credit 1 child)	\$75,000 - \$ 94,001	\$ 1,000*
(2 children)	\$75,000 - \$114,001	\$ 2,000*
(3 children)	\$75,000 - \$134,001	\$ 3,000*
American Opportunity Credit	\$80,000 - \$90,000	\$2,500
Coverdale Education Savings Account (CESA) (Education IRA)	\$95,000 - \$110,000	\$2,000
Rollover to Roth IRA	No limitation after 12/31/09	
Mortgage Insurance Premium Deduction	\$100,000 - \$109,000	Mortgage insurance contracts issued after 1-1-07 (principal & second residence)
Passive rental loss (\$25,000) exception	\$100,000 - \$150,000	
Roth IRA	\$112,000 - \$127,000	\$5,500 max contrib. \$1000 catch-up age 50 and over
AMT exemption	\$115,400 - \$323,000	
Adoption credit/exclusion	\$194,580 - \$234,580	\$12,970
Phase-out of Personal Exemption	\$250,000 - \$372,500 – Single \$275,000 - \$397,500 – Head of Household	Phase-out is \$80 per \$2,500 multiples
Phase-out of Itemized Deductions Begin:	\$250,000 – Single \$275,000 – Head of Household	For income above the limits, itemized deductions decrease by lesser of 3% of AGI or 80% of itemized deductions.

\* Under 17 as of December 31, 2013.



**2013 MODIFIED ADJUSTED GROSS INCOME  
THRESHOLD AMOUNTS – PHASEOUT RANGE**

**FOR MARRIED FILING JOINT AND MARRIED FILING SEPARATE FILERS**

<b>DESCRIPTION</b>	<b>MARRIED FILING JOINT</b>	<b>MARRIED FILING SEPARATELY</b>
Elderly/disabled Credit	\$10,000 - \$25,000	\$5,000 - \$12,500
Dependent care credit	\$15,000 - \$43,000	No credit
Social security benefits taxation	\$32,000 - 44,000 = 50% \$44,000 – above = 85%	No threshold exemption unless lived apart from spouse entire tax yr.
IRA deduction (if both active participant pension coverage)	\$95,000 - \$115,000	\$0 - \$10,000
Rollover to Roth IRA	No limitation after 12/31/09	Not allowed
Tuition Deduction	\$ 0 - \$130,000 \$130,001 - \$160,000 Over \$160,000	No Deduction
Mortgage Insurance Premium Deduction	\$100,000 - \$109,000	\$50,000 - \$54,500
Passive rental loss (\$25,000) exception	\$100,000 - \$150,000	\$50,000 - \$75,000 (See spec. rules)
Lifetime Learning Credit	\$107,000 - \$127,000	No Credit
U.S. savings bond interest exclusion (qualified educ. exp.)	\$112,050 - \$142,050	No exclusion
Child tax credit: (1 child) \$1,000*	\$110,000 - \$129,001	\$55,000 - \$74,001
(2 children)\$2,000*	\$110,000 - \$149,001	\$55,000 - \$94,001
(3 children)\$3,000*	\$110,000 - \$169,001	\$55,000 - \$114,001
Education loan interest expense	\$125,000 - \$155,000	No deduction
AMT exemption	\$153,900 - \$477,100	\$76,950 - \$238,550
American Opportunity Credit	\$160,000 - \$180,000	No Credit
Roth IRA	\$178,000 - \$188,000	\$0 - \$10,000
IRA deduction if only one spouse has pension coverage	\$178,000 - \$188,000	\$0 - \$10,000 (if lived apart from spouse entire tax year treated as single)
Adoption credit/exclusion	\$194,580 - \$234,580	No credit/exclusion
Coverdale Education Savings Account (CESA) (Education IRA)	\$190,000 - \$220,000	\$95,000 - \$110,000
Phase-out Personal Exemption	\$300,000 - \$422,500	\$150,000 - \$211,250
Phase-out of Itemized Deductions Begin	\$300,000	\$150,000

\* Under 17 as of December 31, 2013