Required Minimum Distributions (RMD) -You must begin taking minimum distributions from your traditional IRAs and qualified plans once you attain the age of 73. The minimum distribution amount is determined by dividing the account's value on December 31 of the prior year by your life expectancy determined from the IRS's Uniform Lifetime Table. For the year you turn 73 the distribution can be delayed until no later than April 1 of the next year.

2024 E-File Mandate – Beginning in 2024 an organization (generally a business) filing, in aggregate, 10 or more information returns or statements (previously more than 250) in a calendar year will be required to file electronically. The regulations also require e-filing of certain returns and other documents not previously required to be e-filed.

Clean Vehicle Credit - The 200,000-unit limit per manufacturer no longer applies in 2024. But the maximum \$7,500 credit depends partly on the vehicle being manufactured in North America and partially whether the critical minerals included in the battery were extracted or processed in the U.S. or a country with a free trade agreement or recycled in North America. The manufacturer's suggested retail price cannot exceed \$80,000 for vans, SUVs, and pickups, or \$55,000 for other vehicles (actual purchase price doesn't matter). No credit is allowed if the buyer's modified adjusted gross income (MAGI) for the credit year, or if less for the preceding tax year, exceeds \$300,000 for married individuals filing joint; \$225,000 for those filing head of household; and \$150,000 for others.

Previously Owned Clean Vehicle Credit - Beginning in 2024, a credit is allowed up to the lesser of \$4,000 or 30% of a used clean vehicle's sale price. This credit is for lower income taxpayers and no credit is allowed if the taxpayer's MAGI for the credit year, or if less for the preceding tax year, exceeds \$150,000 for married individuals filing joint; \$112,500 for those filing head of household; and \$75,000 for others. The vehicle must be acquired from a dealer for a price of \$25,000 or less and be the first transfer of the vehicle since this credit was enacted.

For both the new and used clean vehicle credit, the dealer must report required information to the buyer and the IRS, including the maximum credit allowed, the buyer's name and tax ID number, and vehicle identification number.

Clean Vehicle Credit Transfer to Dealer - Beginning in 2024, and on or before the credit-eligible vehicle's purchase date, the buyer can elect to transfer the new or used clean vehicle credit to the dealer from whom the vehicle is purchased in return for a reduction in purchase price equal to the credit amount. However, a buyer that doesn't qualify for the credit will be required to recapture the amount of the payment on their tax return for the year the vehicle was placed in service.

Take Advantage of a Low-Income Year – If you are having a low-income year, you may wish to take advantage of being in a lower tax bracket by:

- Selling appreciated stocks.
- Converting traditional IRAs to Roth IRAs.
- Taking a taxable distribution from a retirement plan (may be subject to a penalty if under the age of 59.5).

Corporate Transparency Act - The Act requires corporations, limited liability companies (including single member LLCs), and similar entities to report certain

information about their beneficial owners to the Financial Crimes Enforcement Network (FinCEN) of the U.S. Department of the Treasury. This information includes the beneficial owners' full legal names, dates of birth, current residential or business street addresses, and unique identification numbers from acceptable identification documents.

- A reporting company created or registered to do business before January 1, 2024, will have until January 1, 2025, to file its initial beneficial ownership
- A reporting company created or registered on or after January 1, 2024, will have 90 days to file its initial beneficial ownership information report. This 90-day deadline runs from the time the company receives actual notice that its creation or registration is effective, or after a secretary of state or similar office first provides public notice of its creation or registration, whichever is earlier. Companies created or registered in 2025 will only have 30 days to report.

Child Care Credit - The maximum expenses that can be used to compute the 2024 and subsequent years' credits are \$3,000 for one qualified individual and \$6,000 for two or more qualified individuals. The credit ranges from a maximum of 35% to 20% of the care expenses depending on the taxpayer's AGI. The 20% rate kicks in for taxpayers with AGIs more than \$43,000, regardless of filing status.

Cryptocurrency Transactions - Cryptocurrency is treated as property, and when it is sold or used, the gain or loss from the transaction must be reported in the same manner as a stock transaction. The IRS is closely looking at taxpayer compliance. Under proposed IRS regulations cryptocurrency exchanges must begin reporting digital asset transactions occurring in 2025 or later, but some "brokers" and others facilitating crypto transactions are already doing so.

Foreign Taxes Paid - If you paid or had withholding of foreign taxes during the year, you have options of how to make up for the double taxation of the foreign income that must also be reported on your U.S. return. You can either take a tax deduction of the foreign tax when you itemize your deductions or claim a foreign tax credit. If you itemize your deductions the amount can be deducted as tax paid (not subject to the \$10,000 state and local tax limit). The other option is to claim a credit, either without filing the Form 1116 (but limited to \$300; \$600 if filing married joint) or filing a Form 1116 if the tax credit will exceed \$300 (\$600 joint) or in certain other circumstances. **NOTE**: This is not applicable to foreign tax paid on investments in a tax deferred account, such as an IRA. CAUTION: If you are a partner in a partnership or a shareholder in an S-Corporation, make the entity aware you have paid foreign taxes during the year. Those entities have special foreign income reporting requirements that include foreign income of partners and shareholders and can impact the entity's filing options.

Credit For Energy Efficient Home Modifications - This tax credit for making energy saving improvements to taxpayers' existing homes has been around since 2006. The dollar limits and credit percentages have been modified several times over the years. In addition, the credit had a lifetime credit cap which was recently \$500, and the credit rate had been reduced to 10%. Being available for 16 years with a \$500 lifetime cap had almost rendered this credit impractical. However, the Inflation Reduction Act has breathed new life into the credit by increasing the credit rate to 30% and by replacing the lifetime credit cap with an annual cap of \$1,200. That allows individuals to annually make up to \$4,000 of home energy improvements that qualify for credit. There are annual limits for certain types of improvements; for example, there is a \$600 annual credit limit for residential energy property expenditures, windows, and skylights, and \$250 for exterior doors (\$500 total for all exterior doors). A new feature is being able to claim a credit of up to \$150 in addition to the \$1,200 annual cap for an energy audit performed by a certified home energy auditor on your primary residence.

This credit is non-refundable (meaning it can only offset the current tax liability) and there is no carryover.

\$1 LUMP SUM AT VARIOUS RATES (FUTURE VALUE OF \$1. COMPOUNDED ANNUALLY)

| Interest Rate | 5 Yrs | 10 Yrs | 15 Yrs | 20 Yrs | 25 Yrs | 30 Yrs |
|---------------|-------|--------|--------|--------|--------|--------|
| 2% | 1.104 | 1.219 | 1.346 | 1.486 | 1.641 | 1.811 |
| 4 | 1.217 | 1.480 | 1.801 | 2.191 | 2.666 | 3.243 |
| 6 | 1.338 | 1.791 | 2.397 | 3.207 | 4.292 | 5.743 |
| 8 | 1.469 | 2.159 | 3.172 | 4.661 | 6.848 | 10.063 |
| 10 | 1.611 | 2.594 | 4.177 | 6.727 | 10.835 | 17.449 |

Example: If you invest \$10,000 at an interest rate of 6% at the end of 30 years you will have \$57,430 (\$10,000 multiplied by 5.743).

\$1 PER YEAR AT VARIOUS RATES (FUTURE VALUE, COMPOUNDED ANNUALLY)

| Interest Rate | 5 Yrs | 10 Yrs | 15 Yrs | 20 Yrs | 25 Yrs | 30 Yrs |
|---------------|-------|--------|--------|--------|--------|---------|
| 2% | 5.20 | 10.95 | 17.29 | 24.30 | 32.03 | 40.57 |
| 4 | 5.416 | 12.006 | 20.024 | 29.778 | 41.646 | 56.085 |
| 6 | 5.637 | 13.181 | 23.276 | 36.786 | 54.865 | 79.058 |
| 8 | 5.867 | 14.487 | 27.152 | 45.762 | 73.106 | 113.283 |
| 10 | 6.105 | 15.937 | 31.772 | 57.275 | 98.347 | 164.494 |

Example: If you put \$1,000 at the end of each year in an investment paying 6% a year compounded annually at the end of the 30th year, you will have \$79,058 saved (\$1,000 x 79.058).

LIFE EXPECTANCY*

| Current Age | Remaining Years | Current Age | Remaining Years |
|-------------|-----------------|-------------|-----------------|
| 25 | 60.2 | 55 | 31.6 |
| 30 | 55.3 | 60 | 27.1 |
| 35 | 50.5 | 65 | 22.9 |
| 40 | 45.7 | 70 | 18.8 |
| 45 | 41.0 | 75 | 14.8 |
| 50 | 36.2 | 80 | 11.2 |

Assume a planned retirement age of 60. Based on average statistics, you will need to accumulate retirement assets by age 60 to last for 27.1 yrs.* Life expectancy rates based on the IRS Unisex Single Life Tables.

TAXABLE-EQUIVALENT YIELD OF MUNICIPAL BONDS BASED ON VARIOUS FEDERAL INCOME TAX BRACKETS

| | | | Ta | ax-Free Y | ield | | | | |
|-------------|-----|-----|-----|-----------|-----------|---------|-----|-----|-----|
| % | 2.0 | 2.5 | 3.0 | 3.5 | 4.0 | 4.5 | 5.0 | 5.5 | 6.0 |
| Tax Bracket | | | | Equivale | nt Taxabl | e Yield | | | |
| 10 | 2.2 | 2.8 | 3.3 | 3.9 | 4.4 | 5.0 | 5.6 | 6.1 | 6.7 |
| 12 | 2.3 | 2.8 | 3.4 | 4.0 | 4.5 | 5.1 | 5.7 | 6.3 | 6.8 |
| 22 | 2.6 | 3.2 | 3.8 | 4.5 | 5.1 | 5.8 | 6.4 | 7.1 | 7.7 |
| 24 | 2.6 | 3.3 | 3.9 | 4.6 | 5.3 | 5.9 | 6.6 | 7.2 | 7.9 |
| 32 | 2.9 | 3.7 | 4.4 | 5.1 | 5.9 | 6.6 | 7.4 | 8.1 | 8.8 |
| 35 | 3.1 | 3.8 | 4.6 | 5.4 | 6.2 | 6.9 | 7.7 | 8.5 | 9.2 |
| 37 | 3.2 | 4.0 | 4.8 | 5.6 | 6.3 | 7.1 | 7.9 | 8.7 | 9.5 |

Example: A taxpayer in the 24% tax bracket would have to purchase a taxable investment yielding more than 3.3% to outperform a 2.5% tax-free investment.

DISCIAIMER

The information provided is an abbreviated summary of tax and financial information for the 2023 and 2024 tax year and only includes law rhannes through December 2023. Pending or future tax legislation and regulations could alter contents of this brochure. The accuracy and completeness of this information is not quaranteed. Specific questions relating to your specific tay or financial situation should be directed to your tax and financial advisor CB2024 @CountingWorks, Inc.

2024

POCKET TAX GUIDE

2024 TAX CALENDAR*

January 1

October 15

October 15

| January 16 | 4th Quarter 2023 Estimate Due |
|--------------|--|
| April 15 | 2023 1040 or Extension Due |
| April 15 | 1st Quarter 2024 Estimate Due |
| April 15 | FBAR Form (Auto Extension until Oct. 15) |
| June 17 | 2 nd Quarter 2024 Estimate Due |
| July 31 | Pension Plan (Form 5500) Returns Due (calendar yr plans) |
| September 16 | 3 rd Quarter 2024 Estimate Due |

2023 1040 Extension Returns Due

Beneficial Ownership Reporting Starts

Extended FBAR Form Due * Note: for those residing in declared disaster areas, these dates may have been extended.





Thomas J. Gilliam, Jr., 636,777,7011 tomgilliam@carillongroup.com

STANDARD DEDUCTIONS (2024)

Personal & Dependent Exemption: under the current tax law exemptions are not allowed **Standard Deduction**:

| Joint SS | MS | Single | Head of Household |
|----------|----------|----------|-------------------|
| \$29,200 | \$14,600 | \$14,600 | \$21,900 |

An additional standard deduction of \$1,550 is allowed for each married elderly (age 65 and over) or blind individual. If elderly and blind, the additional standard deduction is \$3,100. Single individuals (elderly or blind) are allowed an additional standard deduction of \$1,950, \$3,900 if both elderly & blind.

SOCIAL SECURITY (OASDI), MEDICARE & SELF-EMPLOYMENT TAXES

| | Social Security OASDI* | Medicare*** | Total |
|-----------------|------------------------|-------------|--------|
| Employee | 6.20% | 1.45% | 7.65% |
| Self-Employed** | 12.40% | 2.90% | 15.30% |

Wage base for 2023 Soc. Sec. & Self-Employment Tax: \$160,200 (\$168,600 for 2024)

Wage Base for Medicare Hospital Insurance – no limit

taxpayers filing separatly)

*Old age, survivor and disability insurance portion of social security tax.

**Self-employed individuals are allowed to take an income tax deduction for 50% of the self-employment tax.

***Add 0.9% to rate when income exceeds \$200,000 (\$250,000 for married taxpayers and \$125,000 for married

SOCIAL SECURITY BENEFITS

Earnings Test – SS benefits of an individual who is under the full retirement age are reduced when earnings from working in 2023 exceed \$21,240/yr. (\$22,320 in 2024).

Maximum Earnings Benefit – The maximum retirement benefit for workers retiring in 2024 at age 66 (full retirement age): \$3,822/mo.

Taxation Thresholds – A certain % of an individual's SS benefits are taxed when his or her provisional income* exceeds certain threshold amounts:

| | Up to 50% Taxed | Up to 85% Taxed |
|---------------|---------------------|-----------------|
| Married Joint | \$32,000 - \$44,000 | Over \$44,000 |
| Others** | \$25,000 - \$34,000 | Over \$34,000 |

*Provisional income generally includes adjusted gross income plus nontaxable interest plus one-half of social security benefits.

CAPITAL GAINS

Special rates (capital gain rates) apply to gains attributable to sale of capital assets held for more than a year.

Capital Gain Rates: The 2017 tax reform altered the regular individual tax rates, which the capital gains rates were previously tied to and created a separate rate schedule for capital gains tax. The table below illustrates the 2024 CG tax rates by filing status and range of income within the filing status.

| | CG Rates | MFJ | MFS | НН | Single |
|---|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Zero | \$0 to \$94,050 | \$0 to \$47,025 | \$0 to \$63,000 | \$0 to \$47,025 |
| ſ | 15% | \$94,051 to \$583,750 | \$47,026 to \$291,850 | \$63,001 to \$551,350 | \$47,026 to \$518,900 |
| | 20% | Above \$583,750 | Above \$291,850 | Above \$551,350 | Above \$518,900 |

Excluded From the 0%, 15% & 20% Rates:

Gain attributable to real property depreciation: 25% Max

Gain attributable to collectibles & qualified small business stock: 28% Max

Maximum Annual Net Loss Deduction: \$3,000 (\$1,500 MFS filers)

Netting Short-Term (ST) and Long-Term (LT) Gains & Losses: ST gains and losses are netted as are LT gains and losses. Then the two are netted together, with the result being either a net ST or LT gain or loss. Taxpayers, when possible, can achieve a better overall tax benefit by offsetting short-term capital gains with long-term capital losses, thus offsetting higher-taxed profits with long-term capital losses.

LONG-TERM CARE INSURANCE DEDUCTIONS

The maximum deductible amounts of long-term care premiums are based on age and for 2024 are:

| 40 or Less | 41 to 50 | 51-60 | 61-70 | 71 & Older |
|------------|----------|---------|---------|------------|
| \$470 | \$880 | \$1,760 | \$4,710 | \$5,880 |

KIDDIE TAX

Congress created the "Kiddie Tax" to stop parents from moving investments into their child's name to take advantage of the child's lower tax rates. The Kiddie Tax effectively taxes the investment income of children under age 24 in excess of \$2,500 (\$2,600 in 2024) at the parent's top marginal rate.

Parents may elect to include a child's investment income on their return if the investment income is less than \$12,500 (\$13,000 in 2024) and the child has no earned income.

TRADITIONAL & ROTH IRA - LIMITS AND PHASEOUTS

Both Traditional and Roth IRA contributions are combined for purposes of maximum contribution limits illustrated in the table. Contributions must be made by the due date of the tax return, NOT including extensions. Contributions ARE allowed regardless of age. Contributions are limited to earned income.

| MAXIMUM IRA CONTRIBUTIONS | | | | |
|---|---------|---------|--|--|
| Combined Total of Both Traditional & Roth | 2023 | 2024 | | |
| Under Age 50 | \$6,500 | \$7,000 | | |
| Age 50 and Over | \$7,500 | \$8,000 | | |

In addition, for traditional IRAs the deduction is ratably phased out for higher income individuals who actively participate in an employer-sponsored plan and/or whose spouse is an active plan participant. Those not covered by an employer sponsored plan, are not subject to MAGI limitations.

| TRADITIONAL IRA DEDUCTION PHASE-OUT RANGES | | | | |
|--|-----------------------|-----------------------|--|--|
| Filing Status | 2023 | 2024 | | |
| Single or Head of Household (Active) | \$73,000 - \$82,999 | \$77,000 - \$86,999 | | |
| Married Joint (One spouse active) | \$218,000 - \$227,999 | \$230,000 -\$239,999 | | |
| Married Joint (Both spouses active) | \$116,000 - \$135,999 | \$123,000 - \$142,999 | | |
| Married Filing Separately | \$0 - \$9,999 | \$0 - \$9,999 | | |

For Roth IRAs, there is no tax deduction for contributions, there is no tax on qualified distributions, and the accounts benefit from tax-free accumulation. The contributions are ratably phased out for higher income individuals. The following are the phase-out ranges based on Modified AGI:

| ROTH IRA CONTRIBUTION PHASE-OUT RANGES | | | | |
|--|-----------------------|-----------------------|--|--|
| Filing Status | 2023 | 2024 | | |
| Married Joint | \$218,000 - \$227,999 | \$230,000 -\$239,999 | | |
| Married Filing Separately | \$0 - \$9,999 | \$0 - \$9,999 | | |
| Others | \$138,000 - \$152,999 | \$146,000 - \$160,999 | | |

Contributions must be made by the due date of the tax return, NOT including extensions. Contributions ARE allowed regardless of age.

(1) The \$7,000 and \$8,000 limits apply to the combined Traditional and Roth IRA contributions of the individual for the year. (2) Contributions are limited to earned income.

RETIREMENT PLANS - CONTRIBUTION LIMITS

SE Defined Contribution Plans: Lesser of 25%⁽¹⁾ of compensation or \$66,000 (\$69,000 in 2024) SEP Plans: Lesser of 25%⁽¹⁾ of compensation or \$66,000 (\$69,000 in 2024)

401(k) and 403(b) Plans Elective Deferrals: \$22,500 (\$23,000 in 2024). Add \$7,500 if age 50+ (2)(5)

SIMPLE Plans Elective Contributions: \$15,500 (\$16,000 in 2024). Add \$3,500 if age 50+ (5)
Defined Benefit Plans: Max annual benefit: \$265,000 in 2023 (\$275,000 in 2024)

Highly Compensated Employee Status Threshold: \$150,000 for 2023 (\$155,000 for 2024) (4)

Key Employee Status Threshold: \$215,000 for 2023 (\$220,000 for 2024)

- (1) Effectively 20% of net self-employment income.
- (2) The annual contribution to all of an employee's retirement accounts, including elective deferrals, employee contributions, employer matching, discretionary contributions and forfeiture allocations cannot exceed the lesser of 100% of compensation or \$66,000 (\$69,000 for 2024).
- (3) Maximum compensation that can be considered in determining employer and employee contributions (employer non-elective contribution for SIMPLE Plans) is \$330,000 for 2023 (\$345,000 for 2024. See above for limits for highly compensated employees.
- (4) Includes 5% owners and at employer's election 20% of the top paid employees.

SAVING FOR EDUCATION

National Average Annual College Costs (2022-2023)

| | | Tuition & Fees | Room & Board | Other Expenses | Total |
|---------|---------------------|----------------|--------------|----------------|----------|
| | 2-year | \$3,860 | \$9,610 | \$5,760 | \$19,230 |
| Public | 4 Year In-State | \$10,940 | \$12,310 | \$4,690 | \$27,940 |
| | 4 Year Out of State | \$28,240 | \$12,310 | \$4,690 | \$45,240 |
| Private | 4 Year Non-Profit | \$39,400 | \$14,030 | \$4,140 | \$57,570 |

Source: College Board, Trends in College Pricing

Three tax plans are provided to save funds for a child's education. Contributions to them are NOT tax deductible. The tax benefit is the account earnings accrue tax deferred and are free from tax if used for qualified education expenses.

Coverdell Account – The annual contribution limit for 2023 & 2024 is \$2,000 per student. Funds can be used not only for higher education but also for Kindergarten through grade 12. Contributions must be made by the April due date for filing the return. The contribution limit is ratably reduced to zero for Joint filers with MAGI between \$190K and \$220K and \$95K and \$110K for others.

Sec 529 Plan – The total contribution per student is only limited by the projected cost of the student's planned education. The donor's annual contribution is generally predicated on donor's gift tax issues. Generally each donor can contribute up to the annual gift tax exclusion (\$17,000 in 2023 and \$18,000 in 2024) per year without gift tax implications. In addition, the exemption amount for the next four years (\$85,000 in 2023 or \$90,000 for 2024) can be contributed at one time (generally in the earlier years to benefit from increased earnings). Funds can be used for post-secondary education, registered apprenticeship programs and up to \$10,000 per year per plan beneficiary for elementary and high school tuition (2018 through 2025). A lifetime max of \$10,000 can also be used towards student loan debt of the beneficiary and siblings of the beneficiary.

Savings Bonds – A taxpayer who pays qualified higher education expenses with redemption proceeds from Series EE or I Bonds issued after 1989 may be able to exclude the bonds' income. To qualify they must have been purchased when the individual was at least age 24 and redeemed at the time of the education expense for the taxpayer, spouse, or dependent. The income exclusion phases out for joint filers with a MAGI between \$145,200 and \$175,200 (\$96,800 and \$111,800 for others) in 2024.

STANDARD MILEAGE DEDUCTIONS

These are the \$/mile rates in effect for 2023 and 2024.

| | 2023 | 2024 |
|------------------|---------|--------|
| Business | \$0.655 | \$0.67 |
| Medical & Moving | \$0.26 | \$0.21 |
| Charity | \$0.14 | \$0.14 |

| PER DIEM RATES* | High-Cost Locality | Low-Cost Locality |
|--|--------------------|-------------------|
| Meals and incidental expenses (M & IE) | \$ 74 | \$ 64 |
| Lodging and M & IE | \$ 309 | \$ 214 |

^{*}Reflects rates in effect since 10/1/2023, using the simplified method of determination

SEC 179 BUSINESS ASSET EXPENSING

Each year, an amount of the cost of certain eligible personal property purchased during the year and used in the active conduct of a trade or business can be expensed. The maximum that can be expensed is \$1,160,000 for 2023 and \$1,220,000 for 2024 (half those amount for those filing married separate).

*The limit is reduced when more than \$2.89M for 2023 (\$3.05M for 2024) of qualifying property is placed into service

BONUS DEPRECIATION

First year (bonus) depreciation is being phased out. A taxpayer can elect 80% for tangible assets acquired in 2023. For 2024 the bonus rate is will be reduced to 60%.

INCOME TAX RATES - CORPORATIONS

The Tax Cuts & Jobs Act established a flat corporate tax rate of 21%.

TRUST & ESTATE INCOME TAX RATES (2024)

| Taxable Income Over | But Not Over | Pay | Plus | Of the Amount Over |
|---------------------|--------------|----------|------|--------------------|
| 0 | 3,100 | 0 | 10% | 0 |
| 3,100 | 11,150 | 310.00 | 24% | 3,100 |
| 11,150 | 15,200 | 2,242.00 | 35% | 11,150 |
| 15,200 | | 3,659.50 | 37% | 15,200 |

UNIFIED ESTATE & GIFT TAX SCHEDULE

The Tax Cut & Jobs Act doubled the estate and gift tax exclusion and the amount is inflation adjusted for future years.

| Year | Estate Tax | | Gift Tax | |
|------|----------------------------|--------------|----------------------------|--------------|
| | Exemption (Millions \$) | Top Tax Rate | Exemption (Millions \$) | Top Tax Rate |
| 2021 | 11.700 | 40% | 11.700 | 40% |
| 2022 | 12.060 | 40% | 12.060 | 40% |
| 2023 | 12.920 | 40% | 12.920 | 40% |
| 2024 | 13.610 | 40% | 13.610 | 40% |

ANNUAL GIFT TAX EXCLUSION

Everyone is allowed an annual gift tax exclusion of \$17,000 per donee for 2023 (\$18,000 in 2024), with no limit to the number of donees. These gifts are not deductible by the giver nor are they taxable to the donee and they do not reduce the giver's lifetime exemption. Gifts more than the annual exclusion must be reported on a gift tax return but do not become taxable until the lifetime exclusion has been used up.

2024 INCOME TAX RATE SCHEDULE - INDIVIDUAL MARRIED TAXPAYERS* - JOINT/SURVIVING SPOUSE (SS)

| Taxable Income Over | But Not Over | Pay | Plus | Of the Amount Over |
|---------------------|--------------|------------|------|--------------------|
| 0 | 23,200 | 0 | 10% | 0 |
| 23,200 | 94,300 | 2,320.00 | 12% | 23,200 |
| 94,300 | 201,050 | 10,852.00 | 22% | 94,300 |
| 201,050 | 383,900 | 34,337.00 | 24% | 201,050 |
| 383,900 | 487,450 | 78,221.00 | 32% | 383,900 |
| 487,450 | 731,200 | 111,357.00 | 35% | 487,450 |
| 731,200 | | 196,669.50 | 37% | 731,200 |

^{*} Married separate (MS) use 1/2 of the joint dollar amounts.

SINGLE TAXPAYERS

| Taxable Income Over | But Not Over | Pay | Plus | Of the Amount Over |
|---------------------|--------------|------------|------|--------------------|
| 0 | 11,600 | 0 | 10% | 0 |
| 11,600 | 47,150 | 1,160.00 | 12% | 11,600 |
| 47,150 | 100,525 | 5,426.00 | 22% | 47,150 |
| 100,525 | 191,950 | 17,168.50 | 24% | 100,525 |
| 191,950 | 243,725 | 39,110.50 | 32% | 191,950 |
| 243,725 | 609,350 | 55,678.50 | 35% | 243,725 |
| 609,350 | | 183,647.25 | 37% | 609,350 |

HEAD OF HOUSEHOLD TAXPAYERS

| | Taxable Income Over | But Not Over | Pay | Plus | Of the Amount Over |
|--|---------------------|--------------|------------|------|--------------------|
| | 0 | 16,550 | 0 | 10% | 0 |
| | 16,550 | 63,100 | 1,655.00 | 12% | 16,550 |
| | 63,100 | 100,500 | 7,241.00 | 22% | 63,100 |
| | 100,500 | 191,950 | 15,469.00 | 24% | 100,500 |
| | 191,950 | 243,700 | 37,417.00 | 32% | 191,950 |
| | 243,700 | 609,350 | 53,977.00 | 35% | 243,700 |
| | 609,350 | | 181,954.50 | 37% | 609,350 |

ALTERNATIVE MINIMUM TAX (AMT) - INDIVIDUALS

The Tax Cuts & Jobs Act increased both the AMT exemptions and the exemption phase out thresholds which has reduced the number of taxpayers affected by the AMT since 2018.

| 2024 AMT TAX RATE | S |
|--|-------|
| AMT Income to \$232,600* | 26% |
| AMT Income over \$232,600* | 28% |
| * \$116,300 for married taxpa filing separately | ayers |

| | $2024\mathrm{AMT}$ exemptions and exemption phase out thresholds | | | | |
|--|--|------------|---------------------|--|--|
| | Filing Status | Exemption* | Phase Out Threshold | | |
| | Married Filing Joint | \$133,300 | \$1,218,700 | | |
| | Single and Head of Household | \$85,700 | \$609,350 | | |
| | Married Filing Separate | \$66,650 | \$609,350 | | |
| | *Reduced as AMT income exceeds threshold amount | | | | |

ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties, taxpayer is required to deposit by withholding or estimated tax payments an amount equal to the lesser of:

- 1.90% of current year tax liability, OR
- 2. One of the following amounts:
- a. If the taxpayer's prior year AGI exceeds \$150,000°,110% of the prior year's tax liability.
 b. Otherwise. 100% of the prior year's tax liability.
- *\$75,000 for taxpayers filing married separate.