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Income Tax Key Numbers



| Alternative minimum tax (AMT) | 2015 | 2016 |
|--|---|---|
| Maximum AMT exemption amount | \$83,400 (MFJ) \$53,600 (Single/HOH) \$41,700 (MFS) | \$83,800 (MFJ) \$53,900 (Single/HOH) \$41,900 (MFS) |
| Exemption phaseout threshold | \$158,900 (MFJ) \$119,200 (Single/HOH) \$79,450 (MFS) | \$159,700 (MFJ) \$119,700 (Single/HOH) \$79,850 (MFS) |
| 26% rate applies to AMT income (AMTI) at or below this amount (28% rate applies to AMTI above this amount) | \$185,400 (\$92,700 if MFS) | \$186,300 (\$93,150 if MFS) |

Qualified charitable distributions (QCDs)

Qualified charitable distributions (QCDs) are distributions made directly from an IRA to a qualified charity. Such distributions may be excluded from income and count toward satisfying any required minimum distributions (RMDs) you would otherwise have to receive from your IRA. Individuals age 70½ and older can make up to \$100,000 in QCDs per year. This provision has been permanently extended.

| Exemptions/itemized deductions | 2015 | 2016 |
|---|--|--|
| Personal & dependency exemptions | \$4,000 | \$4,050 |
| Phaseout threshold for exemptions and itemized deductions | \$309,900 (MFJ) \$284,050 (HOH) \$258,250 (Single) \$154,950 (MFS) | \$311,300 (MFJ) \$285,350 (HOH) \$259,400 (Single) \$155,650 (MFS) |

| Standard deduction | 2015 | 2016 |
|-------------------------------------|---|---|
| Standard deduction amount | \$12,600 (MFJ) \$9,250 (HOH) \$6,300 (Single) \$6,300 (MFS) | \$12,600 (MFJ) \$9,300 (HOH) \$6,300 (Single) \$6,300 (MFS) |
| Standard deduction for dependent | Greater of \$1,050 or \$350 + earned income | Greater of \$1,050 or \$350 + earned income |
| Additional deduction for aged/blind | \$1,550 (single or head of household) \$1,250 (all other filing statuses) | \$1,550 (single or head of household) \$1,250 (all other filing statuses) |

| Top tax brackets | 2015 | 2016 |
|------------------|--|--|
| Single | 39.6% of taxable income exceeding \$413,200 + \$119,996.25 | 39.6% of taxable income exceeding \$415,050 + \$120,529.75 |
| MFJ | 39.6% of taxable income exceeding \$464,850 + \$129,996.50 | 39.6% of taxable income exceeding \$466,950 + \$130,578.50 |
| MFS | 39.6% of taxable income exceeding \$232,425 + \$64,998.25 | 39.6% of taxable income exceeding \$233,475 + \$65,289.25 |
| HOH | 39.6% of taxable income exceeding \$439,000 + \$125,362 | 39.6% of taxable income exceeding \$441,000 + \$125,936 |

Provisions that are permanently extended

- Increased Internal Revenue Code (IRC) Section 179 expense limits (\$500,000 maximum amount indexed for inflation)
- The \$250 above-the-line tax deduction for educator classroom expenses
- The ability to deduct state and local sales tax in lieu of the itemized deduction for state and local income tax

Provisions that expire at the end of 2019

- Bonus depreciation provisions

Provisions that expire at the end of 2016

- The ability to deduct mortgage insurance premiums as qualified residence interest
- The deduction for qualified higher education expenses

| Long-term capital gains and qualifying dividends¹ generally taxed at maximum rate of: | 2015 | 2016 |
|---|-------------|-------------|
| Taxpayers in top (39.6%) tax bracket | 20% | 20% |
| Taxpayers in 25%, 28%, 33%, and 35% tax rate brackets | 15% | 15% |
| Taxpayers in tax rate bracket 15% or less | 0% | 0% |

¹ Generally, qualifying dividends are dividends received by an individual shareholder from domestic and qualified foreign corporations

| Unearned income Medicare contribution tax (Net investment income tax) | 2015 | 2016 |
|---|-------------|-------------|
| Amount of tax | 3.80% | 3.80% |
| Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding: | | |
| Individuals | \$200,000 | \$200,000 |
| Married filing jointly | \$250,000 | \$250,000 |
| Married filing separately | \$125,000 | \$125,000 |

| Standard mileage rates | 2015 | 2016 |
|--|-------------|-------------|
| Use of auto for business purposes (cents per mile) | \$0.575 | \$0.54 |
| Use of auto for medical purposes (cents per mile) | \$0.23 | \$0.19 |
| Use of auto for moving purposes (cents per mile) | \$0.23 | \$0.19 |
| Use of auto for charitable purposes (cents per mile) | \$0.14 | \$0.14 |

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