

# 2018 Federal Income Tax Brackets

*This is a summary of certain federal income tax brackets applicable to business owners. It is not intended as comprehensive tax advice on any particular set of facts or circumstances. You should retain an attorney or accountant for advice on specific tax issues.*

2018 Individual Tax Brackets		
Type	Ordinary Income Tax	Dividend and Long Term Capital Gain
<b>Single</b>  <i>\$12,000 Standard Deduction, but no personal exemptions.</i>	10% - \$0 12% - \$9,525 22% - \$38,700 24% - \$82,500 32% - \$157,500 35% - \$200,000 37% - \$500,000+	0% - \$0 15% - \$38,600 20% - \$425,800+  3.8% - \$200,000+ <i>(medicare surtax on net investment income)</i>
<b>Married Filing Jointly</b>  <i>\$24,000 Standard Deduction, but no personal exemptions.</i>	10% - \$0 12% - \$19,050 22% - \$77,400 24% - \$165,000 32% - \$315,000 35% - \$400,000 37% - \$600,000+	0% - \$0 15% - \$77,200 20% - \$479,000+  3.8% - \$250,000+ <i>(medicare surtax on net investment income)</i>
<b>Head of Household</b>  <i>\$18,000 Standard Deduction, but no personal exemptions.</i>	10% - \$0 12% - \$13,600 22% - \$51,800 24% - \$82,500 32% - \$157,500 35% - \$200,000 37% - \$500,000+	0% - \$0 15% - \$51,700 20% - \$452,400+  3.8% - \$200,000+ <i>(medicare surtax on net investment income)</i>

2018 Payroll and Self- Employment Tax Brackets	
Type	Tax Bracket
<b>Payroll Tax</b>	6.2% (Social Security) - \$0 to \$128,400 1.45% (Medicare) - \$0 to \$200,000 2.35% (Medicare) - \$200,000+ \$250,000+ (Married Filing Jointly) \$200,000 (Head of Household)
<b>Self-Employment Tax</b>	12.4% (Social Security) - \$0 to \$128,400 2.9% (Medicare) - \$0+3.8% (Medicare) - \$200,000+ (Single) \$250,000+ (Married Filing Jointly) \$200,000 (Head of Household)

# 2018 Federal Income Tax Brackets

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2018 Corporate and Estate Tax Brackets	
Type	Tax Bracket
<b>Corporate Income Tax</b>	21% - \$0+
<b>Estate Tax</b>	\$11,200,000 Individual Unified Estate and Gift Tax Exemption \$15,000 Annual Gift Tax Exclusion  0% - \$0 to \$11,200,000 40% - \$11,200,000+

2018 Qualified Business Income Deduction for Taxable Income from Pass Through Entity (Section 199A)	
Business Type	Deduction
<b>Small Business</b>  <i>Less Than or Equal to:                      \$157,500 Individual or                      \$315,000 Married Filing Jointly</i>	20% of Qualified Business Income Excluded: (i) S corporation reasonable salary and (ii) partnership guaranteed payments.
<b>Large Business</b>  <i>Greater Than:                      \$157,500 Individual or                      \$315,000 Married Filing Jointly</i>	Lesser of (i) 20% of Qualified Business Income or (ii) 50% of the Total Wages Paid by Business to its Employees.
<b>Large Specified Service Business</b>  <i>Phase-Out of Deduction if Taxable Income is Greater Than:                      \$157,500 Individual or                      \$315,000 Married Filing Jointly</i>	Total phase-out of deduction occurs at \$207,500 income for individual or \$415,000 income for married filing jointly.  "Specified Service" means any trade or business involving the performance of services in the fields of health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, investment management, trading or dealing in securities, or "any trade or business where the principal asset of such trade or business is the reputation or skill of 1 or more of its employees."

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