

**2017 Tax Facts**

Updated: December 19, 2016



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(215) 675-8364

**PAYROLL**

	2017	2016
<b>FICA / MEDICARE &amp; SELF-EMPLOYMENT TAX</b>		
Taxable wages for social security / Medicare	Up to \$127,200 / All	Up to \$118,500 / All
Maximum social security / Medicare tax	\$7,886.40 / No Limit	\$7,347 / No Limit
Social Security / Medicare tax rate (Employee - wages under \$200K)	6.20% / 1.45%	6.20% / 1.45%
Medicare tax rate (Employee > \$200K single, \$250K MFJ, \$125K MFS)	2.35%	2.35%
Social security / Medicare tax rate (employers)	6.20% / 1.45%	6.20% / 1.45%
Social security / Medicare tax rate (self-employed - up to limits below)	12.4% / 2.9%	12.4% / 2.9%
Medicare tax rate (Self-employed > \$200K single, \$250K MFJ, \$125K MFS)	3.80%	3.80%
<b>FUTA (Federal Unemployment Tax)</b>		
Taxable wage base	\$7,000	\$7,000
Maximum contributions	\$42	\$42
Net tax rate (6% less FUTA credit reduction of 5.4% for state UI taxes paid)	0.6% (.006)	0.6% (.006)
<b>SOCIAL SECURITY EARNINGS LIMIT</b>		
Under Full Retirement Age (age 65 - 67 depending on D.O.B.)	\$16,920	\$15,720
Over Full Retirement Age	No Limit	No Limit

**FEDERAL TAX DEPOSITORY RULES:**

**MONTHLY** - If the annual accumulated tax liability is <= \$50,000 for the annual base period, deposit monthly by the 15th of the following month regardless of pay date.

**SEMI-WEEKLY** - If the annual accumulated tax liability is > \$50,000 for the annual base period and

\* payroll check date is Wed, Thur, Fri, deposit by the following **Wednesday**.

\* payroll check date is Sat, Sun, Mon or Tues, deposit by the following **Friday**.

**EXCEPTIONS:**

\* De minimis Rule - If the quarterly accumulated tax liability is less than \$2,500 for the quarter, remit the liability with the quarterly tax return.

\* \$100,000 Rule - If the accumulated tax liability is \$100,000 or more, deposit the liability on the next banking day.

**ANNUAL BASE PERIOD:**

Cumulative tax liability for the preceeding period July 1, 2015 through June 30, 2016

**ELECTRONIC FEDERAL TAX PAYMENT SYSTEM (EFTPS)**

Effective January 1, 2011, paper coupons are no longer accepted. Tax deposits must be made through EFTPS (Electronic Federal Tax Payment System) utilizing either the Internet or telephone. This requirement applies to corporate income tax, estimated corporate income tax, employment taxes (FUTA, FICA, withholding), and excise taxes. Taxpayers are subject to a 10% penalty for failure to deposit by EFTPS. The only exception to this is if the taxpayer is remitting less than \$2,500 in employment taxes for the entire quarter.

**STATE RATES:**

	Rate
<b>PENNSYLVANIA INCOME TAX WITHHOLDING</b>	3.07%
<b>PENNSYLVANIA UNEMPLOYMENT</b>	
Employer taxable wage base for employees	\$9,750
Employee tax w/h rate	0.07%
Employee taxable wage base	no limit

<b>NEW JERSEY INCOME TAX WITHHOLDING</b>	
Graduated from	1.40% to 8.97%
<b>NEW JERSEY UNEMPLOYMENT</b>	
Employer taxable wage base for employees	\$33,500
Employee unemployment tax withholding rate	0.7650%
Workforce Development	0.0425%
Disability	0.2400%
Unemployment	0.3825%
Family Leave	0.1000%

<b>DELAWARE WITHHOLDING</b>	
Graduated from	2.20% to 6.60%
For annual wages paid in excess of	\$2,000
<b>DELAWARE UNEMPLOYMENT</b>	
Employer taxable wage base for employees	\$18,500

	Minimum Wage Rates		Philadelphia Wage Tax 1/1/17 - 12/31/17	
		w/ Tips	Resident	Non-Resident
Federal	\$7.25	\$2.13	3.9004%	3.4741%
Pennsylvania	\$7.25	\$2.83		
New Jersey	\$8.38	\$2.13		
Delaware	\$8.25	\$2.23		
Florida	\$8.05	\$5.03		

**NEW HIRE REPORTING:**

Pennsylvania, New Jersey, Florida and Delaware require employees to report basic information about newly hired or rehired employees.

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**INDIVIDUAL - RETIREMENT**

	2017	2016
<b>IRA CONTRIBUTION LIMIT</b>	\$5,500	\$5,500
50 & over catch-up	\$1,000	\$1,000
<b>SIMPLE DEFERRAL LIMIT</b>	\$12,500	\$12,500
50 & over catch-up	\$3,000	\$3,000
<b>401(k) DEFERRAL LIMIT</b>	\$18,000	\$18,000
50 & over catch-up	\$6,000	\$6,000
<b>PHASE-OUT INCOME LEVELS FOR:</b>		
<b>IRA DEDUCTIBILITY (with company retirement plan)</b>		
Single / Head of Household	\$62,000 - \$72,000	\$61,000 - \$71,000
Joint (taxpayer has company pension)	\$99,000 - \$119,000	\$98,000 - \$118,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000
<b>ROTH IRA CONTRIBUTION ELIGIBILITY</b>		
Single/Head of Household	\$118,000 - \$133,000	\$117,000 - \$132,000
Joint	\$186,000 - \$196,000	\$184,000 - \$194,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000
Rollover of regular IRA to Roth IRA (not allowed for married filing separately)	No Limit	No Limit

**BUSINESS**

	2017	2016
<b>SECTION 179 DEDUCTION *</b>	\$500,000	\$500,000
<b>BONUS DEPRECIATION **</b>	50%	50%

\*Permanent deduction

\*\*Extended through 2019 with phase-out

**INDIVIDUAL - EDUCATION**

	2017	2016
<b>EDUCATION LOAN INTEREST DEDUCTION</b>	\$2,500	\$2,500
<b>TUITION AND FEES DEDUCTION</b>	\$4,000	\$4,000
<b>EDUCATION SAVINGS ACCOUNT CONTRIBUTION</b>	\$2,000	\$2,000
<b>EDUCATION CREDITS &amp; PHASE-OUT INCOME LEVELS FOR:</b>		
<b>LIFETIME LEARNING CREDIT</b>		
	\$2,000	\$2,000
Single/Head of Household	\$56,000 - \$66,000	\$55,000 - \$65,000
Joint	\$112,000 - \$132,000	\$111,000 - \$131,000
Married filing separately	N/A	N/A
<b>AMERICAN OPPORTUNITY CREDIT</b>		
	\$2,500	\$2,500
Single/Head of Household	\$80,000 - \$90,000	\$80,000 - \$90,000
Joint	\$160,000 - \$180,000	\$160,000 - \$180,000
Married filing separately	N/A	N/A

**INDIVIDUAL - OTHER**

	2017	2016
<b>ESTATE TAX EXCLUSION</b>	\$5,490,000	\$5,450,000
<b>TOP ESTATE TAX RATE</b>	40%	40%
<b>ANNUAL GIFT EXCLUSION</b>	\$14,000	\$14,000
<b>STANDARD MILEAGE RATE</b>		
Business	53.5¢	54¢
Charitable activities	14¢	14¢
Medical/Moving expense	17¢	19¢
<b>SELF-EMPLOYED HEALTH INSURANCE DEDUCTION</b>	100%	100%
<b>KIDDIE TAX UNEARNED INCOME MAXIMUM</b>	\$1,050	\$1,050
<b>MEDICARE SURTAX ON NET INVESTMENT INCOME</b>		
In excess of \$250,000 MFJ	3.80%	3.80%
In excess of \$200,000 Single	3.80%	3.80%