

2016 Tax Brackets (Federal Income Taxes)

<u>Taxable</u> Ordinary Income Tax Rate	Single Filers	Married filing Joint Returns & Surviving Spouses	Head of Household	Married Filing Separately	Long Term Net Capital Gains & Qualified Dividends Tax Rate *
10%	Not over \$9,275	Not over 18,550	Not over \$13,250	Not over \$9,275	0%
15%	\$9,276– \$37,650	\$18,551 - \$75,300	\$13,151 - \$50,400	\$9,276 - \$37,650	0%
25%	\$37,651 - \$91,150	\$75,301 - \$151,900	\$50,401 - \$130,150	\$37,651 - \$75,950	15%**
28%	\$91,151 - \$190,150	\$151,901 - \$231,450	\$130,151 - \$210,800	\$75,951 - \$115,725	15%**
33%	\$190,151 - \$413,350	\$231,451 - \$413,350	\$210,801 - \$413,350	\$115,726 - \$206,675	15%**
35%	\$413,351 - \$415,050	\$413,351 - \$466,950	\$413,351 - \$441,000	\$206,676 - \$233,475	15%**
39.6%	Over \$415,050	Over \$466,950	Over \$441,000	Over \$233,475	20%

* A 25 or 28 percent tax rate can also apply to special types of net capital gains.

1. The taxable part of a gain from selling section 1202 qualified small business stock is taxed at a maximum 28% rate.
2. Net capital gains from selling collectibles are taxed at a maximum 28% rate.
3. The portion of any unrecaptured section 1250 gain from selling section 1250 real property is taxed at a maximum 25% rate.
4. In 2013, a new rate capital gain rate of 20% was established for taxpayers in the 39.6% tax rate.

** Some or all net capital gain may be taxed at 0% if you are in the 10% or 15% ordinary income tax brackets.

2016 Standard Deduction	
Single	\$6,300
Married Filing Jointly	\$12,600
Head of Household	\$9,300
Married Filing Separately	6,300

You are allowed an additional deduction if you are over age 65 at the end of the tax year. You are also allowed an addition deduction if you are blind at the end of the tax year.

Dependents - If you can be claimed as a dependent by another taxpayer, your standard deduction for 2016 is limited to the greater of: (1) \$1,050, or (2) your earned income plus \$350 (but the total cannot be more than the basic standard deduction for your filing status).

Certain taxpayers are not entitled to the standard deduction. A married individual filing as married filing separately, whose spouse itemizes deductions

1. An individual who was a nonresident alien or dual status alien during any part of the year (note that residents of India may be able to claim the standard deduction if they meet certain criteria. Refer to [Publication 519, U.S. Tax Guide for Aliens](#), for more information)
2. An individual who files a return for a period of less than 12 months due to a change in his or her annual accounting period, or
3. An estate or trust, common trust fund, or partnership

2016 Personal Exemption is \$4,050

Personal Exemption Phase out		
Filing Status	Adjusted Gross Income – Beginning Phase out	Adjusted Gross Income – Complete Phase out
Single	\$259,400	\$381,900
Married Filing Jointly	\$311,300	\$433,800
Head of Household	\$285,350	\$407,850
Married Filing Separately	\$155,650	\$216,900

Sources:

IRS, "In 2016, Some Tax Benefits Increase Slightly Due to Inflation Adjustments, Others Are Unchanged" <https://www.irs.gov/uac/newsroom/in-2016-some-tax-benefits-increase-slightly-due-to-inflation-adjustments-others-are-unchanged> , retrieved July 21, 2106

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IRS, Topic 409, Capital Gains and Losses, <https://www.irs.gov/taxtopics/tc409.html>, retrieved July 21, 2016

IRS, Dividends and Other Distributions, http://www.irs.gov/publications/p17/ch08.html#en_US_2013_publink1000171583 retrieved July 21, 2016

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IRS Publication 501, https://www.irs.gov/publications/p501/ar02.html#en_US_2015_publink1000195627 , retrieved 1/25/2016.