



December 8, 2016

2017 Inflation Adjustments For Tax Rates and Other Provisions Announced by IRS

Last month, the Internal Revenue Service announced the tax year 2017 annual inflation adjustments for more than 50 tax provisions which are applicable to tax returns to be filed in 2018.



The tax items for tax year 2017 of greatest interest to most taxpayers are as follows:

Personal Exemption

Remains the same - \$4,050 for 2017.

Standard Deduction

Married filing jointly will increase from \$12,600 in 2016 to \$12,700 in 2017. Single or married filing separately will increase from \$6,300 in 2016 to \$6,350 in 2017. Head of Household will increase from \$9,300 in 2016 to \$9,350 in 2017.



Social Security Taxable Maximum

The maximum amount of earnings subject to Social Security tax will increase from \$118,500 in 2016 to \$127,200 in 2017.

Itemized Deduction Limitation

The limitation above which itemized deductions may be reduced begins for single taxpayers with incomes of \$261,500 or for married couples filing jointly with incomes of \$313,800.



Income level subject to the highest tax bracket of 39.6%

Married filing jointly will increase from \$466,950 in 2016 to \$470,700 in 2017. Single taxpayers will increase from \$415,050 in 2016 to \$418,400 in 2017.

Maximum Earned Income Tax Credit

Married filing jointly with three or more qualifying children will increase from \$6,269 in 2016 to \$6,318 in 2017.

If you have any questions regarding the information in this email, please give us a call or send us an email.

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