

2014 Tax Facts

Ordinary Tax Rates and Brackets

	Taxable Income	Pay	% on excess	Of the amount over:
Single	\$0 - \$9,075	\$0	10%	\$0
	9,075 - 36,900	907.50	15	9,075
	36,900 - 89,350	5,081.25	25	36,900
	89,350 - 186,350	18,193.75	28	89,350
	186,350 - 405,100	45,353.75	33	186,350
	405,100 - 406,750	117,541.25	35	405,100
	406,750+	118,188.75	39.6	406,750
Married Filing Jointly	\$0 - \$18,150	\$0	10%	\$0
	18,150 - 73,800	1,815.00	15	18,150
	73,800 - 148,850	10,162.50	25	73,800
	148,850 - 226,850	28,925.00	28	148,850
	226,850 - 405,100	50,765.00	33	226,850
	405,100 - 457,600	109,587.50	35	405,100
	457,600+	127,962.50	39.6	457,600
Married Filing Separately	\$0 - \$9,075	\$0	10%	\$0
	9,075 - 36,900	907.50	15	9,075
	36,900 - 74,425	5,081.25	25	36,900
	74,425 - 113,425	14,462.75	28	74,425
	113,425 - 202,550	25,382.50	33	113,425
	202,550 - 228,800	54,793.75	35	202,550
	228,800+	63,981.25	39.6	228,800
Head of Household	\$0 - \$12,950	\$0	10%	\$0
	12,950 - 49,400	1,295.00	15	12,950
	49,400 - 127,550	6,762.50	25	49,400
	127,550 - 206,600	26,300.00	28	127,550
	206,600 - 405,100	48,434.00	33	206,600
	405,100 - 432,200	113,939.00	35	405,100
	432,200+	123,424.00	39.6	432,200
Estates and Non-grantor Trusts	\$0 - \$2,500	\$0	15%	\$0
	2,500 - 5,800	375.00	25	2,500
	5,800 - 8,900	1,200.00	28	5,800
	8,900 - 12,150	2,068.00	33	8,900
	12,150+	3,140.50	39.6	12,150

- The tax rate on long-term capital gains and qualified dividends for individuals, estates and grantor trusts varies as income rises:

Tax Bracket	Tax Rate
15% or lower	0%
25% through 33%	15%
39.6%	20%

- In addition, married taxpayers with Modified AGI over \$250,000 (singles over \$200,000) and estates/non-grantor trusts in the top tax bracket are subject to an additional 3.8% tax on Net Investment Income.

The income brackets in the above table are adjusted annually for inflation. Robert W. Baird & Co. does not provide tax advice. Any investment strategies should be implemented under the supervision of a qualified tax advisor.

Standard Deduction / Personal Exemptions

	2014	2013	2012
Single	\$6,200	\$6,100	\$5,950
Married, filing jointly	\$12,400	\$12,200	\$11,900
Married, filing separately	\$6,200	\$6,100	\$5,950
Head of Household	\$9,100	\$8,950	\$8,700
Additional deduction for aged or blind – married	\$1,200	\$1,200	\$1,150
Additional deduction for aged or blind – single	\$1,550	\$1,500	\$1,450

Personal exemption	\$3,950	\$3,900	\$3,800
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AGI where itemized deduction/personal exemption phase-outs begin	Married Filing Joint	\$305,050	\$300,000	n/a
	Married Filing Separate	\$152,525	\$150,000	n/a
	Single	\$254,200	\$250,000	n/a
	Head of Household	\$279,650	\$275,000	n/a

- The standard deduction for dependents is the greater of (i) \$1,000 or (ii) the sum of \$350 and the individual's earned income.

Kiddie Tax

	2014	2013	2012
Unearned income exempt from tax	\$1,000	\$1,000	\$950
Unearned income taxed at child's rate	\$1,000	\$1,000	\$950
Point at which income is taxed to parent	\$2,000	\$2,000	\$1,900

Alternative Minimum Tax

	2014 Taxable Income	Pay	Plus % on excess	Of the amount over:
Single, Head of Household, Married Filing Joint	\$0 - \$182,500	\$0	26%	\$0
	\$182,501 and above	\$47,450	28%	\$182,500
Married Filing Separate	\$0 - \$91,250	\$0	26%	\$0
	\$91,251 and above	\$23,725	28%	\$91,250

- For AMT purposes, long-term capital gains and qualified dividends are taxed at either 15% or 20%, using the same income thresholds as for regular tax.

	2014	2013	2012	
Personal Exemption for AMT	Married Filing Joint	\$82,100	\$80,800	\$78,750
	Married Filing Separate	\$41,050	\$40,400	\$39,375
	Single	\$52,800	\$51,900	\$50,600
	Head of Household	\$52,800	\$51,900	\$50,600

- For 2014, the AMT Exemption begins to phase for married couples with Alternative Minimum Taxable Income above \$156,500, above \$78,250 for couples filing separately, and above \$117,300 for unmarried taxpayers.



2014 Tax Facts, *continued.*

Retirement Plan Contribution Limits

	2014	2013	2012
IRA and Roth IRA regular contributions	\$5,500	\$5,500	\$5,000
IRA and Roth IRA catch-up contributions	\$1,000	\$1,000	\$1,000
AGI phaseout range for IRA deduction - single	\$60,000 - \$70,000	\$59,000 - \$69,000	\$58,000 - \$68,000
AGI phaseout range for IRA deduction - married	\$96,000 - \$116,000	\$95,000 - \$115,000	\$92,000 - \$112,000

401(k), 403(b) regular contributions	\$17,500	\$17,500	\$17,000
401(k), 403(b) catch-up contributions	\$5,500	\$5,500	\$5,500
Profit Sharing or MPP	\$52,000	\$51,000	\$50,000
Individual 401(k) (Salary Deferral + Profit Sharing)	\$52,000	\$51,000	\$50,000
Individual 401(k) (Salary Deferral + Profit Sharing) Including Age 50+ Catch-up	\$57,500	\$56,500	\$55,500
SIMPLE IRA regular contributions	\$12,000	\$12,000	\$11,500
SIMPLE IRA catch-up contributions	\$2,500	\$2,500	\$2,500
SEP plan contributions	\$52,000	\$51,000	\$50,000
Total Defined Contribution plan contributions	\$52,000	\$51,000	\$50,000

- Catch-up contributions to IRAs and Roth IRAs are available to taxpayers age 50 and older by 12/31/14.
- For those not covered by an employer retirement plan but whose spouse is covered, the IRA deduction is phased out for MAGI between \$181,000 and \$191,000 for 2014 (\$178,000 and \$188,000 for 2013).
- Roth IRA contributions in 2014 begin to be phased-out for couples with MAGI of \$181,000 (\$114,000 for single taxpayers), and is fully phased out for couples with MAGI of \$191,000 (\$129,000 for single taxpayers).

Social Security Taxes and Benefits

	2014	2013	2012
Maximum wages subject to FICA tax	\$117,000	\$113,700	\$110,100
Maximum earned income before reduction in SS benefits (up to full retirement age)	\$15,480	\$15,120	\$14,640
Maximum SS benefit, retiring at full retirement age	\$2,642/mo	\$2,533/mo	\$2,513/mo

- Earned income above threshold, for taxpayers younger than full retirement age, results in reduced Social Security benefits. Benefit amount is reduced by \$1 for every \$2 over the threshold.



2014 Tax Facts, *continued.*

Health Savings Accounts

	2014	2013	2012
Contribution Limit – Single Coverage	\$3,300	\$3,250	\$3,100
Contribution Limit – Family Coverage	\$6,550	\$6,450	\$6,250
High Deductible Plan – Single	\$1,250	\$1,250	\$1,200
High Deductible Plan – Family	\$2,500	\$2,500	\$2,400

- Amounts shown above are the minimum deductible allowed for the plan to be considered a High Deductible Plan. Out of pocket expenses can't exceed \$6,350 for singles, \$12,700 for a couple.

Estate Planning – Estate and Gift Tax Exemption and Annual Gift Exclusion

Decedents dying in:	Exemption Amount	Tax Rate
2007- 2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	\$5 million, but estates may elect no estate tax, with capital gain tax on appreciation above \$1.3 million	35%
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$5,250,000	40%
2014	\$5,340,000	40%

- Individuals may use the full \$5,340,000 million exemption to make lifetime gifts without incurring gift tax (married couples up to \$10,680,000). The 40% gift tax rate will apply to gifts above the exemption amount.

	2014	2013	2012
Annual Gift Tax exclusion	\$14,000	\$14,000	\$13,000

- The annual exclusion is indexed annually for inflation, but increases are only made in \$1,000 increments.