

BUSINESS

Depreciation

36-Month Assets (Straight-Line)

Most software

3-Year Assets (200% DB)

Dies, molds, small tools, certain horses, tractor units

5-Year Assets (200% DB)

Autos, computers, office machinery, taxis, buses, trucks, cattle, private aircraft, appliances, carpeting, furniture, farm equipment

7-Year Assets (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

15-Year Assets (150% DB)

Land improvements other than buildings, retail fuel outlets, leasehold property, restaurant property

27.5-Year Assets (Straight-Line)

Rental houses, apartments, low-income housing, furnaces, water pipes, venting

39-Year Assets (Straight-Line)

Nonresidential buildings

Personal Property Depreciation

Percent of Original Depreciable Basis under 200% DB Method

(Not applicable for mid-quarter convention)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

Section 179 Expense

	2018	2017
Maximum expense election	\$ 1,000,000	\$ 510,000
Phaseout threshold	\$ 2,500,000	\$ 2,030,000

CORPORATE INCOME TAX RATES

2018 Tax Year

For tax years beginning after 12/31/17, the corporate tax rate is a flat 21% on all profits.

Business owners can take a 20% deduction for the first \$315,000 of qualified business income (QBI) for joint filers of pass-through businesses.

For income above \$315,000, the legislation phases in limits producing an effective marginal tax rate of no more than 29.6%.

Personal Service Corporations — 21% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

Regular Tax - 2017 Tax Year

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 50,000	15%	\$ 0
\$ 50,001 – \$ 75,000	\$ 7,500 + 25%	\$ 50,000
\$ 75,001 – \$ 100,000	\$ 13,750 + 34%	\$ 75,000
\$ 100,001 – \$ 335,000	\$ 22,250 + 39%	\$ 100,000
\$ 335,001 – \$ 10,000,000	\$ 113,900 + 34%	\$ 335,000
\$ 10,000,001 – \$ 15,000,000	\$ 3,400,000 + 35%	\$ 10,000,000
\$ 15,000,001 – \$ 18,333,333	\$ 5,150,000 + 38%	\$ 15,000,000
\$ 18,333,334 and above	a flat 35%	

Personal Service Corporations — 35% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

ESTATE AND GIFT TAXES

Estate Taxes

	2018	2017
Estate tax exemption	\$ 11,200,000	\$ 5,490,000
Unified estate tax credit	\$ 10,000,000	\$ 2,141,800
Top estate tax rate	40%	40%

Gift Taxes

	2018	2017
Lifetime gift tax exemption	\$ 11,200,000	\$ 5,490,000
Annual gift tax exclusion		
Gifts per person	\$ 15,000	\$ 14,000
Joint gifts by spouse	\$ 30,000	\$ 28,000
Top gift tax rate	40%	40%

LONG-TERM CARE INSURANCE

If you are:

You may deduct this much of your annual premiums

	2018	2017
Over 70	\$ 5,200	\$ 5,110
61 to 70	\$ 4,160	\$ 4,090
51 to 60	\$ 1,560	\$ 1,530
41 to 50	\$ 780	\$ 770
40 and under	\$ 420	\$ 410

CAPITAL GAINS — 2018 & 2017

Holding Period

Top Capital Gains Rate

	2018	2017
12 months or less	37% ¹	39.6% ¹
More than 12 months	20% ^{1,2}	20% ^{1,2}
Depreciation recapture on real estate	25%	25%
Collectibles and certain small business stock	28%	28%

¹ Capital gain rates may be subject to an additional 3.8% Medicare tax.

² Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.)

COVERDELL ESAs — 2018 & 2017

	2018	2017
• Contribution limit	\$ 2,000 per beneficiary	\$ 2,000 per beneficiary
• AGI phaseouts:*		
Joint filers	\$ 190,000 – \$ 220,000	\$ 190,000 – \$ 220,000
Individual filers	\$ 95,000 – \$ 110,000	\$ 95,000 – \$ 110,000

* Phaseout applies to the contributor, not the beneficiary.

STANDARD MILEAGE RATES

Use	2018	2017
Business	54.5¢ per mile	53.5¢ per mile
Moving	18¢ per mile	17¢ per mile
Medical	18¢ per mile	17¢ per mile
Charitable	14¢ per mile	14¢ per mile

This publication is distributed with the understanding that the publisher and distributor are not rendering legal, accounting, or other professional advice and assume no liability whatsoever in connection with its use.
© 2018 MHM Publications Inc.

HMV

CERTIFIED PUBLIC ACCOUNTANTS



HEARD, MCELROY & VESTAL, LLC TAX POCKET GUIDE

333 Texas Street, Suite 1525
Shreveport, LA 71101
318.429.1525

2808 Kilpatrick Boulevard
Monroe, LA 71211
318.388.3108

WWW.HMVCPA.COM

2018 INDIVIDUAL INCOME TAX RATES*

Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 19,050	..... 10%	\$ 0
\$ 19,051 – \$ 77,400	\$ 1,905 + 12%	\$ 19,050
\$ 77,401 – \$ 165,000	\$ 8,907 + 22%	\$ 77,400
\$ 165,001 – \$ 315,000	\$ 28,179 + 24%	\$ 165,000
\$ 315,001 – \$ 400,000	\$ 64,179 + 32%	\$ 315,000
\$ 400,001 – \$ 600,000	\$ 91,379 + 35%	\$ 400,000
\$ 600,001 and above	\$ 161,379 + 37%	\$ 600,000

Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,525	..... 10%	\$ 0
\$ 9,526 – \$ 38,700	\$ 953 + 12%	\$ 9,525
\$ 38,701 – \$ 82,500	\$ 4,454 + 22%	\$ 38,700
\$ 82,501 – \$ 157,500	\$ 14,090 + 24%	\$ 82,500
\$ 157,501 – \$ 200,000	\$ 32,090 + 32%	\$ 157,500
\$ 200,001 – \$ 300,000	\$ 45,690 + 35%	\$ 200,000
\$ 300,001 and above	\$ 80,690 + 37%	\$ 300,000

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,525	..... 10%	\$ 0
\$ 9,526 – \$ 38,700	\$ 953 + 12%	\$ 9,525
\$ 38,701 – \$ 82,500	\$ 4,454 + 22%	\$ 38,700
\$ 82,501 – \$ 157,500	\$ 14,090 + 24%	\$ 82,500
\$ 157,501 – \$ 200,000	\$ 32,090 + 32%	\$ 157,500
\$ 200,001 – \$ 500,000	\$ 45,690 + 35%	\$ 200,000
\$ 500,001 and above	\$ 150,690 + 37%	\$ 500,000

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 13,600	..... 10%	\$ 0
\$ 13,601 – \$ 51,800	\$ 1,360 + 12%	\$ 13,600
\$ 51,801 – \$ 82,500	\$ 5,944 + 22%	\$ 51,800
\$ 82,501 – \$ 157,500	\$ 12,698 + 24%	\$ 82,500
\$ 157,501 – \$ 200,000	\$ 30,698 + 32%	\$ 157,500
\$ 200,001 – \$ 500,000	\$ 44,298 + 35%	\$ 200,000
\$ 500,001 and above	\$ 149,298 + 37%	\$ 500,000

2018 Qualified Dividend Income 15%* (0% for lower tax brackets)

*Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).

Note: Tax amounts have been rounded up to nearest dollar.

PERSONAL EXEMPTIONS

	2018	2017
Deduction for each taxpayer, spouse, and dependent	repealed \$	4,050
There is an AGI phaseout beginning at:		
Married, filing jointly	repealed \$	313,800
Married, filing separately	repealed \$	156,900
Single	repealed \$	261,500
Head of household	repealed \$	287,650

2017 INDIVIDUAL INCOME TAX RATES*

Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 18,650	..... 10%	\$ 0
\$ 18,651 – \$ 75,900	\$ 1,865 + 15%	\$ 18,650
\$ 75,901 – \$ 153,100	\$ 10,453 + 25%	\$ 75,900
\$ 153,101 – \$ 233,350	\$ 29,753 + 28%	\$ 153,100
\$ 233,351 – \$ 416,700	\$ 52,728 + 33%	\$ 233,350
\$ 416,701 – \$ 470,700	\$ 112,728 + 35%	\$ 416,700
\$ 470,701 and above	\$ 131,628 + 39.6%	\$ 470,700

Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,325	..... 10%	\$ 0
\$ 9,326 – \$ 37,950	\$ 933 + 15%	\$ 9,325
\$ 37,951 – \$ 76,550	\$ 5,227 + 25%	\$ 37,950
\$ 76,551 – \$ 116,675	\$ 14,877 + 28%	\$ 76,550
\$ 116,676 – \$ 208,350	\$ 26,112 + 33%	\$ 116,675
\$ 208,351 – \$ 235,350	\$ 56,364 + 35%	\$ 208,350
\$ 235,351 and above	\$ 65,814 + 39.6%	\$ 235,350

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,325	..... 10%	\$ 0
\$ 9,326 – \$ 37,950	\$ 933 + 15%	\$ 9,325
\$ 37,951 – \$ 91,900	\$ 5,227 + 25%	\$ 37,950
\$ 91,901 – \$ 191,650	\$ 18,714 + 28%	\$ 91,900
\$ 191,651 – \$ 416,700	\$ 46,644 + 33%	\$ 191,650
\$ 416,701 – \$ 418,400	\$ 120,911 + 35%	\$ 416,700
\$ 418,401 and above	\$ 121,506 + 39.6%	\$ 418,400

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 13,350	..... 10%	\$ 0
\$ 13,351 – \$ 50,800	\$ 1,335 + 15%	\$ 13,350
\$ 50,801 – \$ 131,200	\$ 6,953 + 25%	\$ 50,800
\$ 131,201 – \$ 212,500	\$ 27,053 + 28%	\$ 131,200
\$ 212,501 – \$ 416,700	\$ 49,817 + 33%	\$ 212,500
\$ 416,701 – \$ 444,550	\$ 117,203 + 35%	\$ 416,700
\$ 444,551 and above	\$ 126,950 + 39.6%	\$ 444,550

2017 Qualified Dividend Income 15%* (0% for lower tax brackets)

*Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).

Note: Tax amounts have been rounded up to nearest dollar.

STANDARD DEDUCTION

	2018*	2017
Married, filing jointly	\$ 24,000	\$ 12,700
Married, filing separately	\$ 12,000	\$ 6,350
Single	\$ 12,000	\$ 6,350
Head of household	\$ 18,000	\$ 9,350
Additional — blind or elderly		
Single	\$ 1,600	\$ 1,550
Married	\$ 1,300	\$ 1,250

* Many itemized deductions have been eliminated or restricted.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2018	2017
Individual Retirement Accounts (IRAs)*	\$ 5,500	\$ 5,500
Section 401(k) plans or SAR-SEPs*	\$ 18,500	\$ 18,000
Section 403(b) plans*	\$ 18,500	\$ 18,000
Section 408(p)(2)(E) SIMPLE contributions*	\$ 12,500	\$ 12,500
Section 457(b)(2) limit*	\$ 18,500	\$ 18,000
Section 415 limit for:		
Defined contribution plans**	\$ 55,000	\$ 54,000
Defined benefit plans	\$ 220,000	\$ 215,000
Highly compensated employees Section 414(q)	\$ 120,000	\$ 120,000
FICA taxable wage base		
Social Security	\$ 128,400	\$ 127,200
Medicare (tax rate 1.45% for employees; 2.90% for self-employed)**	No limit	No limit
* Age 50 additional contributions		
401(k) type plans	\$ 6,000	\$ 6,000
SIMPLEs	\$ 3,000	\$ 3,000
IRAs	\$ 1,000	\$ 1,000

= The Section 415 compensation limit for defined contribution plans is \$275,000.

** An additional tax rate of 0.9% on wages in excess of \$200,000 may apply.

Roth IRAs

AGI limit for maximum contributions:	2018	2017
Joint filers	\$ 189,000	\$ 186,000
Individual filers	\$ 120,000	\$ 118,000

The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

SOCIAL SECURITY

Annual Earned Income Limit	2018	2017
Under full retirement age	\$ 17,040	\$ 16,920
Full retirement age	No Limit	No Limit

For people reaching full retirement age in 2018, the limit is \$45,360 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

Contribution Limits	2018	2017
Individual, self-only	\$ 3,450	\$ 3,400
Family Coverage	\$ 6,900	\$ 6,750
Catch-up for those age 55 and older	\$ 1,000	\$ 1,000

For 2018, the minimum deductible for a high-deductible health plan (HDHP) is \$1,350 for self-only coverage and \$2,700 for family coverage. The maximum out-of-pocket limit is \$6,650 for self-only coverage and \$13,300 for family plans.

ALTERNATIVE MINIMUM TAX

AMT Exemptions	2018	2017
Married, filing jointly	\$ 109,400	\$ 84,500
Married, filing separately	\$ 54,700	\$ 42,250
Single	\$ 70,300	\$ 54,300
Head of household	\$ 70,300	\$ 54,300