

2016 Changes In Tax

The following is a comparison of some 2016 and 2015 amounts for taxes, social security, etc. after retroactive changes by the new tax law:

	<u>2016</u>	<u>2015</u>
Social Security:		
Wage base for employers, employees, and self-employed	\$ 118,500	\$ 118,500
Medicare wage base for employers, employees, and self-employed	No limit	No limit
FICA tax rate	6.2%	6.2%
Additional medicare tax wages over \$200,000 for employee	0.9%	0.9%
Medicare tax rate	1.45%	1.45%
Maximum FICA withheld per employee (wage base x employee rate)	\$ 7,347	\$ 7,347
Medicare tax on wages of \$175,000 (there is no maximum)	\$ 2,538	\$ 2,538
Tax rate for self-employed	15.3%	15.3%
Benefits (monthly):		
Maximum for person retiring at full retirement age	\$ 2,639	\$ 2,663
Full retirement age	66 yrs.	66 yrs.
Federal Unemployment Tax:		
Wage base on which employer pays tax	\$ 7,000	\$ 7,000
Tax rate (plus a possible state surcharge)	0.6%	0.6%
State of Missouri Unemployment Tax wage base on which employer pays tax	\$ 13,000	\$ 13,000
Section 179 asset expense distribution (maximum)	\$ 500,000	\$ 500,000
Section 168 bonus depreciation	50%	50%
Pensions:		
Defined benefit plan, maximum annual benefit	\$ 210,000	\$ 210,000
Defined contribution plan limitation	\$ 53,000	\$ 53,000
Maximum compensation	\$ 265,000	\$ 265,000
Elective deferrals/401(k) limitation	\$ 18,000	\$ 18,000
SIMPLE PLANS maximum employee contributions	\$ 12,500	\$ 12,500
Catch-up contributions for company plans	\$ 6,000	\$ 6,000
IRA maximum contribution, regular and spouse	\$ 5,500	\$ 5,500
Catch-up contributions for IRAs	\$ 1,000	\$ 1,000
Health Savings Accounts maximum contribution:		
Individual	\$ 3,350	\$ 3,350
Family	\$ 6,750	\$ 6,650
Catch-up contribution	\$ 1,000	\$ 1,000
Estate Tax:		
Exclusion	\$ 5,450,000	\$5,430,000
Top tax rate or bracket	40%	40%
Gift Tax Exclusion	\$ 14,000	\$ 14,000
Simplified Per Diem for Travel in U.S.:		
High cost areas	\$ 275	\$ 259
All other areas	\$ 185	\$ 172
Meal Allowances:		
Meal allowance per day on 30-day business trips or less	\$ \$57 to \$68	\$52 to \$65
Meal percentage deductible	50%	50%
Auto and Travel Allowances:		
Standard auto mileage rate	\$ 0.54	\$ 0.575
Rate for depreciation purposes	\$ 0.24	\$ 0.24
Auto mileage rate when car used in charitable work	\$ 0.14	\$ 0.14
Medical and moving mileage rate	\$ 0.19	\$ 0.23

Compare