

# 2023 IRS Tax Updates



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The IRS has recently released inflation adjusted numbers effective in 2023. Below are the ones we feel are most impactful and are compared to 2022 numbers. With inflation running high, we see larger than typical increases in tax brackets, 401k contribution limits, the standard deduction, and the lifetime exemption. We will provide full 2023 numbers in the coming months.

## Tax Brackets

2022 TAX RATES		VS. Marginal Tax Rate	2023 TAX RATES	
If Taxable Income Is			If Taxable Income Is	
Over	But Not Over		Over	But Not Over
<b>SINGLE TAXPAYERS</b>				
\$0	\$10,275	10%	\$0	\$11,000
\$10,275	\$41,775	12%	\$11,000	\$44,725
\$41,775	\$89,075	22%	\$44,725	\$95,375
\$89,075	\$170,050	24%	\$95,375	\$182,100
\$170,050	\$215,950	32%	\$182,100	\$231,250
\$215,950	\$539,900	35%	\$231,250	\$578,125
\$539,900	--	37%	\$578,125	--
<b>HEADS OF HOUSEHOLDS</b>				
\$0	\$14,650	10%	\$0	\$15,700
\$14,650	\$55,900	12%	\$15,700	\$59,850
\$55,900	\$89,050	22%	\$59,850	\$95,350
\$89,050	\$170,050	24%	\$95,350	\$182,100
\$170,050	\$215,950	32%	\$182,100	\$231,250
\$215,950	\$539,900	35%	\$231,250	\$578,100
\$539,900	--	37%	\$578,100	--
<b>MARRIED INDIVIDUALS (&amp; surviving spouses) FILING JOINT RETURNS</b>				
\$0	\$20,550	10%	\$0	\$22,000
\$20,550	\$83,550	12%	\$22,000	\$89,450
\$83,550	\$178,150	22%	\$89,450	\$190,750
\$178,150	\$340,100	24%	\$190,750	\$364,200
\$340,100	\$431,900	32%	\$364,200	\$462,500
\$431,900	\$647,850	35%	\$462,500	\$693,750
\$647,850	--	37%	\$693,750	--
<b>MARRIED INDIVIDUALS FILING SEPARATE RETURNS</b>				
\$0	\$10,275	10%	\$0	\$11,000
\$10,275	\$41,775	12%	\$11,000	\$44,725
\$41,775	\$89,075	22%	\$44,725	\$95,375
\$89,075	\$170,050	24%	\$95,375	\$182,100
\$170,050	\$215,950	32%	\$182,100	\$231,250
\$215,950	\$323,925	35%	\$231,250	\$346,875
\$323,925	--	37%	\$346,875	--
<b>FIDUCIARY (estates &amp; trusts) TAXPAYERS</b>				
\$0	\$2,750	10%	\$0	\$2,900
\$2,750	\$9,850	24%	\$2,900	\$10,550
\$9,850	\$13,450	35%	\$10,550	\$14,450
\$13,450	--	37%	\$14,450	--

<b>RETIREMENT PLANS</b>	<b>2022</b>	<b>2023</b>
Elective deferrals 401(k), 403(b), 457, & SARSEPs	\$20,500	\$22,500
Catch-up contribution (age 50 or older)	\$6,500	\$7,500
IRA or Roth IRA contribution limit	\$6,000	\$6,500
Catch-up contribution (age 50 or older)	\$1,000	\$1,000

<b>HEALTH SAVINGS ACCOUNT (HSA) CONTRIBUTION</b>	<b>2022</b>	<b>2023</b>
Single	\$3,650	\$3,850
Family	\$7,300	\$7,750
Catch-up contribution (age 55 or older)	\$1,000	\$1,000

<b>ESTATE &amp; GIFT TAX</b>	<b>2022</b>	<b>2023</b>
Annual gift exclusion	\$16,000	\$17,000
Estate & gift tax basic exclusion	\$12,060,000	\$12,920,000

<b>SOCIAL SECURITY</b>	<b>2022</b>	<b>2023</b>
Social Security Wage Base	\$147,000	\$160,200
FICA Tax Rate - Employee	7.65%	7.65%
SECA Tax Rate - Self employed	15.3%	15.3%
Earnings Limitation:		
Below FRA (\$1 for \$2)	\$19,560	\$21,240
Year individual reaches FRA (\$1 for \$3)	\$51,960	\$56,520
(Applies only to earnings for months prior to attaining FRA)		
Social Security cost-of-living adjustment (COLA)	5.9%	8.7%

<b>INCOME TAX</b>	<b>2022</b>	<b>2023</b>
<b>Standard Deduction</b>		
Single	\$12,950	\$13,850
Married Filing Jointly	\$25,900	\$27,700
Head of Household	\$19,400	\$20,800
Married Filing Separately	\$12,950	\$13,850
<b>Elderly or Blind Additional Deduction</b>		
Single	\$1,750	\$1,850
Married	\$1,400	\$1,500

Source: <https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2023>

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