

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

7-Year Assets (200% DB)

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

7-Year Assets (150% DB)

Farm equipment

15-Year Assets (150% DB)

Land improvements, 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

| | 2017 | 2016 |
|--------------------------|--------------|--------------|
| Maximum expense election | \$ 510,000 | \$ 500,000 |
| Phaseout threshold | \$ 2,030,000 | \$ 2,010,000 |

CORPORATE INCOME TAX RATES

Regular Tax

| 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

| | 2017 | 2016 |
|---------------------------|--------------|--------------|
| Estate tax exemption | \$ 5,490,000 | \$ 5,450,000 |
| Unified estate tax credit | \$ 2,141,800 | \$ 2,125,800 |
| Top estate tax rate | 40% | 40% |

Gift Taxes

| | 2017 | 2016 |
|-----------------------------|--------------|--------------|
| Lifetime gift tax exemption | \$ 5,490,000 | \$ 5,450,000 |
| Annual gift tax exclusion | | |
| Gifts per person | \$ 14,000 | \$ 14,000 |
| Joint gifts by spouse | \$ 28,000 | \$ 28,000 |
| Top gift tax rate | 40% | 40% |

LONG-TERM CARE INSURANCE

If you are:

You may deduct this much of your annual premiums

| | 2017 | 2016 |
|--------------|----------|----------|
| Over 70 | \$ 5,110 | \$ 4,870 |
| 61 to 70 | \$ 4,090 | \$ 3,900 |
| 51 to 60 | \$ 1,530 | \$ 1,460 |
| 41 to 50 | \$ 770 | \$ 730 |
| 40 and under | \$ 410 | \$ 390 |

CAPITAL GAINS — 2017 & 2016

| Holding Period | Top Capital Gains Rate | |
|---|------------------------|--------------------|
| | 2017 | 2016 |
| 12 months or less | 39.6% 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 — 2017 & 2016

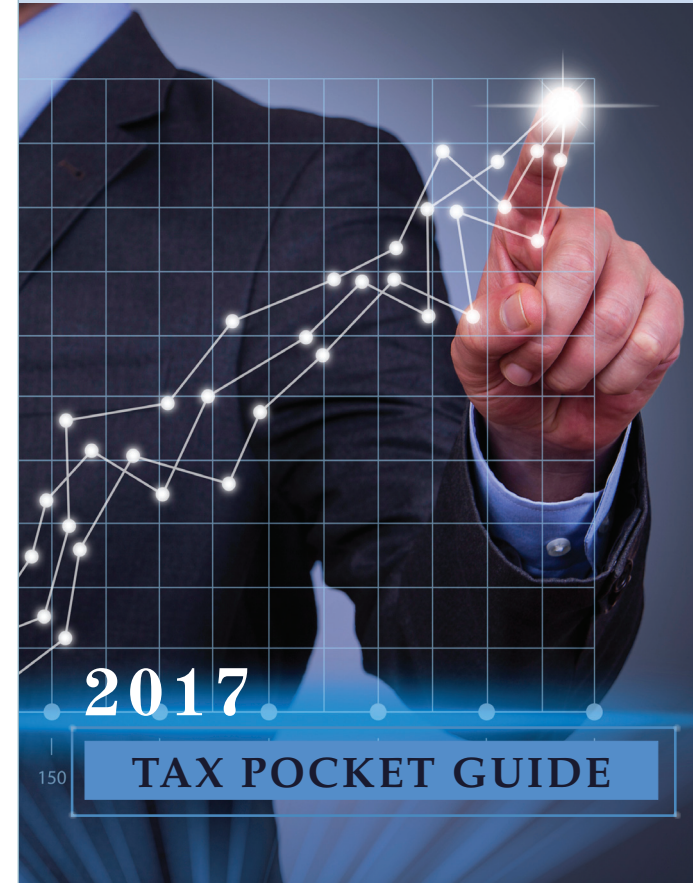
| | 2017 | 2016 |
|----------------------|--------------------------|--------------------------|
| • Contribution limit | \$ 2,000 per beneficiary | \$ 2,000 per beneficiary |
| • AGI phaseouts:* | | |
| Joint filers | \$ 190,000 – \$ 220,000 | \$ 190,000 – \$ 220,000 |
| Individual filers | \$ 95,000 – \$ 110,000 | \$ 95,000 – \$ 110,000 |

* Phaseout applies to the contributor, not the beneficiary.

STANDARD MILEAGE RATES

| Use | 2017 | 2016 |
|------------|----------------|--------------|
| Business | 53.5¢ per mile | 54¢ per mile |
| Moving | 17¢ per mile | 19¢ per mile |
| Medical | 17¢ per mile | 19¢ 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. © 2017 MHM Publications Inc.



2017

TAX POCKET GUIDE

 DKSS

INSIGHTFUL · INVOLVED · INVALUABLE

Derderian, Kann, Seyferth & Salucci, P.C.

CPAs + Advisors

3001 W. Big Beaver, Suite 700

Troy, MI 48084-3108

248.649.3400

www.DKSScpas.com

 agn
INTERNATIONAL

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 | \$ 52,223 + 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.

PERSONAL EXEMPTIONS

| | 2017 | 2016 |
|--|------------|------------|
| Deduction for each taxpayer, spouse, and dependent | \$ 4,050 | \$ 4,050 |
| There is an AGI phaseout beginning at: | | |
| Married, filing jointly | \$ 313,800 | \$ 311,300 |
| Married, filing separately | \$ 156,900 | \$ 155,650 |
| Single | \$ 261,500 | \$ 259,400 |
| Head of household | \$ 287,650 | \$ 285,350 |

2016 INDIVIDUAL INCOME TAX RATES*

Regular Tax — Married, Filing Jointly or Surviving Spouse

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 18,550 | 10% | \$ 0 |
| \$ 18,551 – \$ 75,300 | \$ 1,855 + 15% | \$ 18,550 |
| \$ 75,301 – \$ 151,900 | \$ 10,368 + 25% | \$ 75,300 |
| \$ 151,901 – \$ 231,450 | \$ 29,518 + 28% | \$ 151,900 |
| \$ 231,451 – \$ 413,350 | \$ 51,792 + 33% | \$ 231,450 |
| \$ 413,351 – \$ 466,950 | \$ 111,819 + 35% | \$ 413,350 |
| \$ 466,951 and above | \$ 130,579 + 39.6% | \$ 466,950 |

Married, Filing Separately

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|-------------------|-----------------|
| \$ 0 – \$ 9,275 | 10% | \$ 0 |
| \$ 9,276 – \$ 37,650 | \$ 928 + 15% | \$ 9,275 |
| \$ 37,651 – \$ 75,950 | \$ 5,184 + 25% | \$ 37,650 |
| \$ 75,951 – \$ 115,725 | \$ 14,759 + 28% | \$ 75,950 |
| \$ 115,726 – \$ 206,675 | \$ 25,896 + 33% | \$ 115,725 |
| \$ 206,676 – \$ 233,475 | \$ 55,909 + 35% | \$ 206,675 |
| \$ 233,476 and above | \$ 65,289 + 39.6% | \$ 233,475 |

Single

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 9,275 | 10% | \$ 0 |
| \$ 9,276 – \$ 37,650 | \$ 928 + 15% | \$ 9,275 |
| \$ 37,651 – \$ 91,150 | \$ 5,184 + 25% | \$ 37,650 |
| \$ 91,151 – \$ 190,150 | \$ 18,559 + 28% | \$ 91,150 |
| \$ 190,151 – \$ 413,350 | \$ 46,279 + 33% | \$ 190,150 |
| \$ 413,351 – \$ 415,050 | \$ 119,935 + 35% | \$ 413,350 |
| \$ 415,051 and above | \$ 120,530 + 39.6% | \$ 415,050 |

Head of Household

| If Taxable Income Is Between: | Your Tax Is: | Of Amount Over: |
|-------------------------------|--------------------|-----------------|
| \$ 0 – \$ 13,250 | 10% | \$ 0 |
| \$ 13,251 – \$ 50,400 | \$ 1,325 + 15% | \$ 13,250 |
| \$ 50,401 – \$ 130,150 | \$ 6,898 + 25% | \$ 50,400 |
| \$ 130,151 – \$ 210,800 | \$ 26,835 + 28% | \$ 130,150 |
| \$ 210,801 – \$ 413,350 | \$ 49,417 + 33% | \$ 210,800 |
| \$ 413,351 – \$ 441,000 | \$ 116,259 + 35% | \$ 413,350 |
| \$ 441,001 and above | \$ 125,936 + 39.6% | \$ 441,000 |

2016 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

| | 2017* | 2016 |
|-------------------------------|-----------|-----------|
| Married, filing jointly | \$ 12,700 | \$ 12,600 |
| Married, filing separately | \$ 6,350 | \$ 6,300 |
| Single | \$ 6,350 | \$ 6,300 |
| Head of household | \$ 9,350 | \$ 9,300 |
| Additional — blind or elderly | | |
| Single | \$ 1,550 | \$ 1,550 |
| Married | \$ 1,250 | \$ 1,250 |

* Deduct the greater of standard or itemized deductions.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

| Type of Plan | 2017 | 2016 |
|--|------------|------------|
| Individual Retirement Accounts (IRAs)* | \$ 5,500 | \$ 5,500 |
| Section 401(k) plans or SAR-SEPs* | \$ 18,000 | \$ 18,000 |
| Section 403(b) plans* | \$ 18,000 | \$ 18,000 |
| Section 408(p) (2) (E) SIMPLE contributions* | \$ 12,500 | \$ 12,500 |
| Section 457(b) (2) limit* | \$ 18,000 | \$ 18,000 |
| Section 415 limit for: | | |
| Defined contribution plans† | \$ 54,000 | \$ 53,000 |
| Defined benefit plans | \$ 215,000 | \$ 210,000 |
| Highly compensated employees Section 414(q) | \$ 120,000 | \$ 120,000 |
| FICA taxable wage base | | |
| Social Security | \$ 127,200 | \$ 118,500 |
| 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 \$270,000.

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

Roth IRAs

| AGI limit for maximum contributions: | 2017 | 2016 |
|--------------------------------------|------------|------------|
| Joint filers | \$ 186,000 | \$ 184,000 |
| Individual filers | \$ 118,000 | \$ 117,000 |

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

SOCIAL SECURITY

| Annual Earned Income Limit | 2017 | 2016 |
|----------------------------|-----------|-----------|
| Under full retirement age | \$ 16,920 | \$ 15,720 |
| Full retirement age | No Limit | No Limit |

For people reaching full retirement age in 2017, the limit is \$44,880 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

| Contribution Limits | 2017 | 2016 |
|-------------------------------------|----------|----------|
| Individual, self-only | \$ 3,400 | \$ 3,350 |
| Family Coverage | \$ 6,750 | \$ 6,750 |
| Catch-up for those age 55 and older | \$ 1,000 | \$ 1,000 |

For 2017, the minimum deductible for a high-deductible health plan (HDHP) is \$1,300 for self-only coverage and \$2,600 for family coverage. The maximum out-of-pocket limit is \$6,550 for self-only coverage and \$13,100 for family plans.

ALTERNATIVE MINIMUM TAX

| AMT Exemptions | 2017 | 2016 |
|----------------------------|-----------|-----------|
| Married, filing jointly | \$ 84,500 | \$ 83,800 |
| Married, filing separately | \$ 42,250 | \$ 41,900 |
| Single | \$ 54,300 | \$ 53,900 |
| Head of household | \$ 54,300 | \$ 53,900 |