

PERSONAL EXEMPTION AND STANDARD DEDUCTIONS

Personal and Dependency Exemptions:

	Federal	Vermont
Individuals	N/A	\$4,150

Standard Deduction:

Married filing jointly and surviving spouses	\$24,000	\$12,000
Single Taxpayers	\$12,000	\$6,000
Head of Households	\$18,000	\$9,000
Married filing separately	\$12,000	\$6,000

Dependents who file \$1,050
(Could be up to \$12,350 if they have earned income)

Taxpayers who are blind or age 65 and over may obtain an additional standard deduction of \$1,300 if married (whether filing jointly or separately), or \$1,600 if single or head of household. If a taxpayer is both over 65 and blind, double those amounts. Vermont allows for an additional \$1,000 deduction for the same taxpayers.

ESTATE AND TRUST TAX RATES FEDERAL

Range of taxable income	Tax	of amount over
\$ 0 - \$2,550	10%	\$ 0
2,551 - 9,150	\$255 + 24%	2,550
9,151 - 12,500	1,839.00 + 35%	9,150
Over 12,500	3,011.50 + 37%	12,500

These rates also apply to the "Kiddie Tax" on unearned income on dependents.

VERMONT (ESTIMATED)

Range of taxable income	Tax	of amount over
\$ 0 - \$2,550	3.35%	\$ 0
2,551 - 5,950	\$91 + 6.6%	2,550
5,951 - 9,050	322 + 7.6%	5,950
Over 9,051	564 + 8.75%	9,050

INDIVIDUAL TAX RATES FEDERAL

Married Persons Filing Jointly and Surviving Spouses

Range of taxable income	Tax	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
Over 600,000	161,379 + 37%	600,000

Married Persons Filing Separately

Range of taxable income	Tax	of amount over
\$ 0 - 9,525	10%	\$ 0
9,526 - 38,700	\$952.50 + 12%	9,525
38,701 - 82,500	4,453.50 + 22%	38,700
82,501 - 157,500	14,089.50 + 24%	82,500
157,501 - 200,000	32,089.50 + 32%	157,500
200,001 - 300,000	45,689.50 + 35%	200,000
Over 300,000	50,689.50 + 37%	300,000

Single Taxpayers

Range of taxable income	Tax	of amount over
\$ 0 - 9,525	10%	\$ 0
9,526 - 38,700	\$952.50 + 12%	9,525
38,701 - 82,500	4,453.50 + 22%	38,700
82,501 - 157,500	14,089.50 + 24%	82,500
157,501 - 200,000	32,089.50 + 32%	157,500
200,001 - 500,000	45,689.50 + 35%	200,000
Over 500,000	150,689.50 + 37%	500,000

Head of Household

Range of taxable income	Tax	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
Over 500,000	149,298 + 37%	500,000

INDIVIDUAL TAX RATES VERMONT (ESTIMATED)

Married Persons Filing Jointly and Surviving Spouses

Range of taxable income	Tax	of amount over
\$ 0 - 64,600	3.35%	\$ 0
64,601 - 156,150	\$2,164 + 6.6%	64,600
156,151 - 237,950	8,206 + 7.6%	156,150
Over 237,950	14,423 + 8.75%	237,950

Married Filing Separately

Range of taxable income	Tax	of amount over
\$ 0 - 32,300	3.35%	\$ 0
32,301 - 78,075	\$1,082 + 6.6%	32,300
78,076 - 118,975	4,103 + 7.6%	78,075
Over 118,975	7,212 + 8.75%	118,975

Single Taxpayers

Range of taxable income	Tax	of amount over
\$ 0 - 38,700	3.35%	\$ 0
38,701 - 93,700	\$1,296 + 6.6%	38,700
93,701 - 195,450	4,926 + 7.6%	93,700
Over 195,450	12,659 + 8.75%	195,450

Head of Household

Range of taxable income	Tax	of amount over
\$ 0 - 51,850	3.35%	\$ 0
51,851 - 133,850	\$1,737 + 6.6%	51,850
133,851 - 216,700	7,149 + 7.6%	133,850
Over 216,700	13,446 + 8.75%	216,700

Beginning in 2018 Vermont taxable income is based on federal adjusted gross income reduced by the Vermont personal exemptions and the standard deduction. Vermont will allow a 5% credit for all charitable contributions up to a maximum \$1,000 credit.

Additional Federal Surtax: Certain individual taxpayers who have net investment income will incur a 3.8% surtax on certain unearned income, potentially increasing their total federal income tax rate to 40.8%. The surtax applies to taxpayers with an adjusted gross income above \$200,000 (single) and \$250,000 (joint filers).

INDIVIDUAL CAPITAL GAINS RATES FEDERAL

Top Capital Gains Rate	Holding Period
0%	More than one year, taxable income under \$38,600 (single) or \$77,200 (joint filers)
15%	More than one year, taxable income under \$425,800 (single) or \$479,000 (joint filers)
20%	More than one year, taxable income over \$425,800 (single) or \$479,000 (joint filers)
25%	More than one year, recapture of depreciation on real estate
28%	More than one year (collectibles)

Short-term and long-term capital gains are treated separately and a loss can be used to offset a gain of the same type. Short-term gains are taxed as ordinary income. Net capital losses may offset other income by up to \$3,000 per year (\$1,500 for married filing separately). The balance of unused capital losses is carried forward indefinitely.

IMPORTANT ADDRESSES: For Individual Estimated Tax Payments:

Internal Revenue Service (for VT, NY, NH residents)
P.O. Box 37007
Hartford, CT 06176-7007

Vermont Department of Taxes
P.O. Box 1779
Montpelier, VT 05601-1779

CORPORATE TAX RATES FEDERAL

Range of taxable income	Tax	of amount over
All income	21%	\$ 0

VERMONT

Range of taxable income	Tax	of amount over
\$ 0 - 10,000	6%	\$ 0
10,001 - 25,000	\$600 + 7%	10,000
Over 25,000	1,650 + 8.5%	25,000

VERMONT CORPORATE MINIMUM TAX

Gross Receipts	Tax
\$2,000,00 or less	\$300
\$2,000,001-\$5,000,000	\$500
\$5,000,001 and over	\$750

INCOME PHASEOUT RANGES¹ FILING STATUS

	Married-Joint	Head of Household	Single	Married-Separate
Personal Exemption	Exemptions repealed			
Itemized Deduction	Itemized deductions no longer phased out			
Child Tax Credit²	\$400,000 - varies	\$200,000 - varies	\$200,000 - varies	\$200,000 - varies
Education Loan Interest Deduction	\$135,000 - 165,000	\$65,000 - 80,000	\$65,000 - 80,000	N/A ³
Roth IRA	\$189,000 - 199,000	\$120,000 - 135,000	\$120,000 - 135,000	\$0 ⁴ - 10,000
Traditional IRA w/Pension	\$101,000 - 121,000	\$63,000 - 73,000	\$63,000 - 73,000	\$0 ⁴ - 10,000
Traditional IRA Spouse w/Pension	\$189,000 - 199,000	N/A	N/A	\$0 ⁴ - 10,000
American Opportunity Credit	\$160,000 - 180,000	\$80,000 - 90,000	\$80,000 - 90,000	N/A ³
Lifetime Learning Credit	\$112,000 - 131,000	\$56,000 - 66,000	\$56,000 - 66,000	N/A ³
Alternative Minimum Tax (AMT) Exemption	\$109,400	\$70,300	\$70,300	\$54,700 ⁵

¹ Income refers to adjusted gross income with some modifications

² The income level at which this credit will be completely phased out depends on the number of qualified children

³ A married person must file a joint return in order to take advantage of this tax break

⁴ This limit applies if you lived with your spouse any time during the year. If not, use single figures

⁵ Subject to phaseout based upon AMT income

CONSUMER PRICE INDEX (CPI-U)

Year	Average 12-Month Increase
2015	.7%
2016	2.1%
2017	2.1%

OTHER IMPORTANT TAX INFORMATION

	2018	2017
Unearned Income w/o Kiddie Tax	\$2,100	\$2,100
Child Tax Credit	\$2,000	\$1,000
Family Tax Credit (Non-child dependent)	\$500	N/A
Auto Standard Mileage Allowances		
Business	54.5¢	53.5¢
Charity Work	14¢	14¢
Medical/Moving	18¢	17¢
Section 179 Deduction	\$1,000,000	\$500,000
Earning Ceiling for Social Security		
Under full retirement age	\$1,420/mo	\$1,410/mo
Year retirement age reached	\$3,780/mo	\$3,740/mo
Above full retirement age	Unlimited	Unlimited
Estate Tax Exclusion		
Equivalent—Federal	\$11,200,000	\$5,490,000
Equivalent—Vermont	\$2,750,000	\$2,750,000
Federal Estate Tax (Above Exemption Amount)	up to 37%	up to 40%
Vermont Estate Tax (Above Exemption Amount)	Up to 16%	Up to 16%
Vermont Charitable Tax Credit	5% up to \$20,000	N/A
Annual Gift Exclusion	\$15,000	\$14,000
Lifetime Gift Exclusion	\$11,200,000	\$5,490,000
Max Compensation Qualified Plans	\$275,000	\$270,000
Max Contribution Defined Contribution Plan	\$55,000	\$54,000
Max Deferral 401(k) / 403(b)		
50 and Over Catch up	\$18,500 / \$6,000	\$18,000 / \$6,000
Max Deferral SIMPLE		
50 and Over Catch up	\$12,500 / \$3,000	\$12,500 / \$3,000
IRA, Traditional and Roth		
50 and Over Catch up	\$5,500 / \$1,000	\$5,500 / \$1,000
HSA - Maximum Contribution		
Self	\$3,450	\$3,400
Family	\$6,900	\$6,750
55 and Over Catch Up	\$1,000	\$1,000

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PAYROLL TAX RATES

FICA: The maximum taxable wage base for FICA (Social Security) is \$128,400.

	Medicare	FICA
Employer/Employee	1.45%	6.2%
Self-Employed	2.9%	12.4%

Medicare: The Medicare Part A (Hospital Insurance) payroll tax rate is 1.45% for both employers and employees and 2.9% for the self-employed. There is no cap on the amount of earned income subject to the Medicare tax. There is an additional 0.9% Medicare tax on income over \$200,000 for Singles and Head of Household, \$250,000 for Married Filing Jointly, and \$125,000 for Married Filing Separately.

SUTA: A state unemployment compensation tax is imposed on all Vermont employers for the first \$17,600 of wages paid in 2018 to each covered employee. The rate is specific to each employer.

FUTA: A federal unemployment compensation tax rate of 6.0% is imposed on employers for the first \$7,000 of wages paid in 2018 to each covered employee. However, because of credits allowed to employers for their contributions to state unemployment funds, the effective FUTA rate paid by Vermont employers will be only 0.6%. Quarterly deposits are required if the tax exceeds \$500.

ESTIMATED TAX PAYMENTS

(These due dates apply to a calendar-year taxpayer)

Installment	Due Date
Last 2017 Payment	January 16, 2018
First 2018 Payment	April 17, 2018
Second 2018 Payment	June 15, 2018
Third 2018 Payment	September 17, 2018
Fourth 2018 Payment	January 15, 2019

Exceptions to Underpayment Penalties

To avoid penalties for underpaying estimated taxes, individual taxpayers must pay in through withholding and estimated taxes at least the lesser of (1) 100% of the 2017 tax liability, (2) 90% of the 2018 tax liability or (3) based on an annualized income installment method. For taxpayers with adjusted gross income in excess of \$150,000 (\$75,000 for married filing separately) the prior year safe harbor percentage is 110% for federal estimates.

2018 Tax Tables

Revised as a result of recent legislative changes.



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