



### ESTATE AND GIFT TAX

|                    | 2023         | 2024         |
|--------------------|--------------|--------------|
| <b>Estate tax:</b> |              |              |
| Exclusion amount   | \$12,920,000 | \$13,610,000 |
| Maximum tax rate   | 40%          | 40%          |
| <b>Gift tax:</b>   |              |              |
| Exemption          | \$12,920,000 | \$13,610,000 |
| Annual exclusion   | 17,000       | 18,000       |

### CORPORATE INCOME TAX RATES

|                    |               |
|--------------------|---------------|
| <b>REGULAR TAX</b> | Flat Rate 21% |
| 2023 & 2024        |               |

### NET OPERATING LOSSES

|                                    | 2023       | 2024       |
|------------------------------------|------------|------------|
| <b>LIMITATION ON CARRYFORWARD:</b> |            |            |
| Taxable income limitation of NOL   | 80%        | 80%        |
| Period of Carryover                | Indefinite | Indefinite |

|                                 | 2023        | 2024        |
|---------------------------------|-------------|-------------|
| <b>LIMITATION ON CARRYBACK:</b> |             |             |
| Period of Carryback             | Not allowed | Not allowed |

### MICHIGAN TAXPAYERS

| CORPORATE INCOME TAX (CIT) |           |  |
|----------------------------|-----------|--|
| Tax rate                   | 6.00%     |  |
| Filing threshold           | \$350,000 |  |

| INDIVIDUAL INCOME TAX |         |         |
|-----------------------|---------|---------|
|                       | 2023    | 2024    |
| Tax rate              | 4.05%   | 4.25%   |
| Personal exemption    | \$5,400 | \$5,600 |

### PER DIEM RATES\*

|                               | High Cost Locality | Low Cost Locality |
|-------------------------------|--------------------|-------------------|
| Meals and incidental expenses | \$74               | \$64              |
| Lodging                       | 235                | 150               |
| Total                         | \$309              | \$214             |

\*Using the simplified method of determination.

### SECTION 199A DEDUCTION

| Maximum qualified business income deduction: 20%                 |                   |                   |
|--|-------------------|-------------------|
| Limitation:  |                   |                   |
| 1. 50% of W-2 wages, or  |                   |                   |
| 2. 25% of W-2 wages + 2.5% of qualified property.                |                   |                   |
|  | 2023              | 2024              |
| <b>Phase-in of W-2 wages and qualified property limitations:</b> |                   |                   |
| Joint return (taxable income)                                    | \$364,200/464,200 | \$383,900/483,900 |
| Single (taxable income)  | 182,100/232,100   | 191,950/241,950   |
| <b>Phase-out for specified service trade or businesses:</b>      |                   |                   |
| Joint return (taxable income)                                    | \$364,200/464,200 | \$383,900/483,900 |
| Single (taxable income)  | 182,100/232,100   | 191,950/241,950   |

### EMPLOYMENT TAX RATES

|  | 2023      | 2024      |
|--|-----------|-----------|
| <b>SOCIAL SECURITY AND MEDICARE TAXES</b>                                      |           |           |
| Social Security wage base  | \$160,200 | \$168,600 |
| Social Security tax rate:  |           |           |
| Employee   | 6.20%     | 6.20%     |
| Employer   | 6.20%     | 6.20%     |
| Medicare tax rate:   |           |           |
| Employee   | 1.45%     | 1.45%     |
| Employer   | 1.45%     | 1.45%     |
| Total Social Security and Medicare taxes:                                      |           |           |
| Employee   | 7.65%     | 7.65%     |
| Employer   | 7.65%     | 7.65%     |
| Total  | 15.30%    | 15.30%    |
| Additional 0.9% Medicare tax on wages and self-employment income in excess of: |           |           |
| Joint return   | \$250,000 | \$250,000 |
| Single   | 200,000   | 200,000   |

### DEPRECIATION

|                              | 2023        | 2024        |
|------------------------------|-------------|-------------|
| <b>BONUS DEPRECIATION</b>    |             |             |
| Bonus depreciation rate      | 80%         | 60%         |
| <b>SECTION 179 DEDUCTION</b> |             |             |
|                              | 2023        | 2024        |
| Deduction limit*             | \$1,160,000 | \$1,220,000 |
| Qualifying property limit*   | 2,890,000   | 3,050,000   |
| SUV deduction limit*         | 28,900      | 30,500      |

\*Permanent and is indexed for inflation beginning in 2019

|                                      | 2023     |
|--------------------------------------|----------|
| <b>LUXURY AUTO MAXIMUM DEDUCTION</b> |          |
| First year                           | \$12,200 |
| First year, with bonus depreciation  | 20,200   |
| Second year                          | 19,500   |
| Third year                           | 11,700   |
| Fourth year and thereafter           | 6,960    |

### AUTO STANDARD MILEAGE ALLOWANCES

|      | Business | Medical/Moving | Charitable |
|------|----------|----------------|------------|
| 2023 | 65.5c    | 22.0c          | 14.0c      |
| 2024 | 67.0c    | 21.0c          | 14.0c      |



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# HUNGERFORD

## 2024 TAX GUIDE

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**INDIVIDUAL INCOME TAX RATES****REGULAR TAX 2023**

|              | BASE TAXABLE INCOME | TAX ON BASE | % ON EXCESS OVER BASE |
|--------------|---------------------|-------------|-----------------------|
| Joint return | \$ 0                | \$ 0        | 10%                   |
|              | 22,000              | 2,200       | 12%                   |
|              | 89,450              | 10,294      | 22%                   |
|              | 190,750             | 32,580      | 24%                   |
|              | 364,200             | 74,208      | 32%                   |
|              | 462,500             | 105,664     | 35%                   |
|              | 693,750             | 186,602     | 37%                   |

|        |         |         |     |
|--------|---------|---------|-----|
| Single | \$ 0    | \$ 0    | 10% |
|        | 11,000  | 1,100   | 12% |
|        | 44,725  | 5,147   | 22% |
|        | 95,375  | 16,290  | 24% |
|        | 182,100 | 37,104  | 32% |
|        | 231,250 | 52,832  | 35% |
|        | 578,125 | 174,238 | 37% |

|                   |         |         |     |
|-------------------|---------|---------|-----|
| Head of household | \$ 0    | \$ 0    | 10% |
|                   | 15,700  | 1,570   | 12% |
|                   | 59,850  | 6,868   | 22% |
|                   | 95,350  | 14,678  | 24% |
|                   | 182,100 | 35,498  | 32% |
|                   | 231,250 | 51,226  | 35% |
|                   | 578,100 | 172,624 | 37% |

**2024**

|              |         |         |     |
|--------------|---------|---------|-----|
| Joint return | \$ 0    | \$ 0    | 10% |
|              | 23,200  | 2,320   | 12% |
|              | 94,300  | 10,852  | 22% |
|              | 201,050 | 34,337  | 24% |
|              | 383,900 | 78,221  | 32% |
|              | 487,450 | 111,357 | 35% |
|              | 731,200 | 196,670 | 37% |

|        |         |         |     |
|--------|---------|---------|-----|
| Single | \$ 0    | \$ 0    | 10% |
|        | 11,600  | 1,160   | 12% |
|        | 47,150  | 5,426   | 22% |
|        | 100,525 | 17,169  | 24% |
|        | 191,950 | 39,111  | 32% |
|        | 243,725 | 55,679  | 35% |
|        | 609,350 | 183,647 | 37% |

|                   |         |         |     |
|-------------------|---------|---------|-----|
| Head of household | \$ 0    | \$ 0    | 10% |
|                   | 16,500  | 1,655   | 12% |
|                   | 63,100  | 7,241   | 22% |
|                   | 100,500 | 15,469  | 24% |
|                   | 191,950 | 37,417  | 32% |
|                   | 243,700 | 53,977  | 35% |
|                   | 609,350 | 181,955 | 37% |

**LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS**

2023 \*Married filing separate thresholds are one-half of these amounts

| Joint return* | Single     | Head of Household | Tax Rate |
|---------------|------------|-------------------|----------|
| <\$89,250     | <\$44,625  | <\$59,750         | 0%       |
| <\$53,850     | <\$492,300 | <\$23,050         | 15%      |
| >\$53,850     | >\$492,300 | >\$23,050         | 20%      |

| 2024          | Single    | Head of Household | Tax Rate |
|---------------|-----------|-------------------|----------|
| Joint return* | Single    | Head of Household | Tax Rate |
| <\$94,050     | <\$47,025 | <\$63,000         | 0%       |
| <\$83,750     | <\$18,900 | <\$51,350         | 15%      |
| >\$83,750     | >\$18,900 | >\$51,350         | 20%      |

**INDIVIDUALS****STANDARD DEDUCTION**

|                    | 2023     | 2024     |
|--------------------|----------|----------|
| Standard deduction |          |          |
| Joint return       | \$27,700 | \$29,200 |
| Single             | 13,850   | 14,600   |
| Head of household  | 20,800   | 21,900   |

| Additional deduction for the blind and/or elderly: | 2023    | 2024    |
|--|---------|---------|
| Joint return (each)                                | \$1,500 | \$1,550 |
| Single   | 1,850   | 1,950   |

**ALTERNATIVE MINIMUM TAX (AMT)**

|                                      | 2023      | 2024      |
|--------------------------------------|-----------|-----------|
| Tax rate:                            |           |           |
| 26% of AMT income up to:             | \$220,700 | \$232,600 |
| Plus 28% of AMT income in excess of: | 220,700   | 232,600   |

| Exemption:   | 2023      | 2024      |
|--------------|-----------|-----------|
| Joint return | \$126,500 | \$133,300 |
| Single       | 81,300    | 85,700    |

| Exemption phaseout: | 2023                    | 2024                    |
|---------------------|-------------------------|-------------------------|
| Joint return        | \$1,156,300/\$1,662,300 | \$1,218,700/\$1,751,900 |
| Single              | \$78,150/\$903,350      | \$69,350/\$952,150      |

**DEPENDENT TAX CREDITS**

|                                      | 2023    | 2024    |
|--------------------------------------|---------|---------|
| Dependent child under age 17         | \$2,000 | \$2,000 |
| Maximum refundable portion           | 1,600   | 1,700   |
| Child 17 & older or Other Dependents | 500     | 500     |

**AMERICAN OPPORTUNITY CREDIT\***

|                | 2023                | 2024                |
|----------------|---------------------|---------------------|
| Maximum credit | \$2,500             | \$2,500             |
| Phaseout:      |                     |                     |
| Joint return   | \$160,000/\$180,000 | \$160,000/\$180,000 |
| Single         | 80,000/\$90,000     | 80,000/\$90,000     |

\*Not allowed under married filing separately

**LIFETIME LEARNING CREDIT**

|                | 2023                | 2024                |
|----------------|---------------------|---------------------|
| Maximum credit | \$2,000             | \$2,000             |
| Phaseout:      |                     |                     |
| Joint return   | \$160,000/\$180,000 | \$160,000/\$180,000 |
| Single         | 80,000/\$90,000     | 80,000/\$90,000     |

**STUDENT LOAN INTEREST DEDUCTION**

|                   | 2023                | 2024                |
|-------------------|---------------------|---------------------|
| Maximum deduction | \$2,500             | \$2,500             |
| Phaseout:         |                     |                     |
| Joint return      | \$155,000/\$185,000 | \$165,000/\$195,000 |
| Single            | 75,000/\$90,000     | 80,000/\$95,000     |

**ITEMIZED DEDUCTION FOR MEDICAL EXPENSES**

|                         | 2023 | 2024 |
|-------------------------|------|------|
| Percentage of AGI floor | 7.5% | 7.5% |

**INDIVIDUALS****ADDITIONAL 3.8% MEDICARE TAX ON NET INVESTMENT INCOME**

Lesser of: 1) net investment income or 2) Modified Adjusted Gross Income (MAGI) in excess of:

|                          |           |
|--------------------------|-----------|
| Joint return             | \$250,000 |
| Single/Head of Household | 200,000   |

**RETIREMENT PLAN CONTRIBUTION LIMITS****INDIVIDUAL AND CORPORATE LIMITATIONS**

| Annual deferral limits:             | 2023     | 2024     |
|-------------------------------------|----------|----------|
| 401(k)/403(b)                       | \$22,500 | \$23,000 |
| SIMPLE Plan                         | 15,500   | 16,000   |
| Individual Retirement Account (IRA) | 6,500    | 7,000    |
| Roth IRA                            | 6,500    | 7,000    |

| Catch-up contribution for taxpayers age 50 and over: | 2023    | 2024    |
|--|---------|---------|
| 401(k)/403(b)  | \$7,500 | \$7,500 |
| SIMPLE Plan  | 3,500   | 3,500   |
| Individual Retirement Account (IRA)                  | 1,000   | 1,000   |
| Roth IRA   | 1,000   | 1,000   |

| Traditional IRA deduction phaseout: | 2023              | 2024              |
|-------------------------------------|-------------------|-------------------|
| Unmarried and active participant    | \$73,000/\$83,000 | \$77,000/\$87,000 |
| MFJ - nonparticipating spouse       | 218,000/\$228,000 | 230,000/\$240,000 |
| MFJ - participating spouse          | 116,000/\$136,000 | 123,000/\$143,000 |

| Roth IRA contribution eligibility: | 2023                | 2024                |
|------------------------------------|---------------------|---------------------|
| Joint return                       | \$218,000/\$228,000 | \$230,000/\$240,000 |
| Single, head of household          | 138,000/\$153,000   | 146,000/\$161,000   |

| Other information: | 2023      | 2024      |
|--------------------|-----------|-----------|
| Compensation limit | \$330,000 | \$345,000 |

**HEALTH SAVINGS ACCOUNTS (HSA)**

|                                 | 2023    | 2024    |
|---------------------------------|---------|---------|
| Individual                      | \$3,850 | \$4,150 |
| Family                          | 7,750   | 8,300   |
| Catch-up contribution (age 55+) | 1,000   | 1,000   |

**FLEXIBLE SPENDING ACCOUNTS (FSA)**

| Maximum Deduction | 2023    | 2024    |
|-------------------|---------|---------|
|                   | \$3,050 | \$3,200 |

**SOCIAL SECURITY BENEFITS****TAXABLE SOCIAL SECURITY BENEFITS**

| Provisional income* | Single        | % Subject to Tax |
|---------------------|---------------|------------------|
| Married             | Single        | % Subject to Tax |
| Over \$32,000       | Over \$25,000 | 50%              |
| Over \$44,000       | Over \$34,000 | 85%              |

\*Provisional income includes adjusted gross income, tax exempt interest, certain foreign source income and one-half of Social Security benefits.

| MAXIMUM ANNUAL EARNED INCOME LIMIT* | 2023     | 2024     |
|-------------------------------------|----------|----------|
| Below full retirement age           | 21,240   | \$22,320 |
| Year full retirement age reached    | 56,520   | 59,520   |
| Full retirement age                 | no limit | no limit |

\*Earned income exceeding this limit results in reduction of Social Security benefits.

