

BLOOMBERG BNA 2017 PROJECTED U.S. TAX RATES



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Introduction

Many amounts in the Internal Revenue Code are adjusted for inflation annually. Using data from the Consumer Price Index, Bloomberg BNA has projected inflation-adjusted amounts for 2017.

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2017 ADJUSTED ITEMS

1. Tax Rate Tables

For tax years beginning in 2017, the tax rate tables under §1 are as follows:

TABLE 1 — Section 1(a) — Married Individuals Filing Joint Returns and Surviving Spouses

If Taxable Income Is:		The Tax Is:	
Not Over	\$18,650	10% of the taxable income	
Over	\$18,650 but not over \$75,900	\$1,865	plus 15% of excess over \$18,650
Over	\$75,900 but not over \$153,100	\$10,452.50	plus 25% of excess over \$75,900
Over	\$153,100 but not over \$233,350	\$29,752.50	plus 28% of excess over \$153,100
Over	\$233,350 but not over \$416,700	\$52,222.50	plus 33% of excess over \$233,350
Over	\$416,700 but not over \$470,700	\$112,728	plus 35% of excess over \$416,700
Over	\$470,700	\$131,628	plus 39.6% of excess over \$470,700

TABLE 2 — Section 1(b) — Heads of Households

If Taxable Income Is:		The Tax Is:	
Not Over	\$13,350	10% of the taxable income	
Over	\$13,350 but not over \$50,800	\$1,335	plus 15% of excess over \$13,350
Over	\$50,800 but not over \$131,200	\$6,952.50	plus 25% of excess over \$50,800
Over	\$131,200 but not over \$212,500	\$27,052.50	plus 28% of excess over \$131,200
Over	\$212,500 but not over \$416,700	\$49,816.50	plus 33% of excess over \$212,500
Over	\$416,700 but not over \$444,550	\$117,202.50	plus 35% of excess over \$416,700
Over	\$444,550	\$126,950	plus 39.6% of excess over \$444,550

TABLE 3 — Section 1(c) — Unmarried Individuals (other than Surviving Spouses and Heads of Households)

If Taxable Income Is:		The Tax Is:	
Not Over	\$9,325	10% of the taxable income	
Over	\$9,325 but not over \$37,950	\$932.50	plus 15% of excess over \$9,325
Over	\$37,950 but not over \$91,900	\$5,226.25	plus 25% of excess over \$37,950
Over	\$91,900 but not over \$191,650	\$18,713.75	plus 28% of excess over \$91,900
Over	\$191,650 but not over \$416,700	\$46,643.75	plus 33% of excess over \$191,650
Over	\$416,700 but not over \$418,400	\$120,910.25	plus 35% of excess over \$416,700
Over	\$418,400	\$121,505.25	plus 39.6% of excess over \$418,400

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TABLE 4 — Section 1(d) — Married Individuals Filing Separate Returns

If Taxable Income Is:	The Tax Is:
Not Over \$9,325	10% of the taxable income
Over \$9,325 but not over \$37,950	\$932.50 plus 15% of excess over \$9,325
Over \$37,950 but not over \$76,550	\$5,226.25 plus 25% of excess over \$37,950
Over \$76,550 but not over \$116,675	\$14,876.25 plus 28% of excess over \$76,550
Over \$116,675 but not over \$208,350	\$26,111.25 plus 33% of excess over \$116,675
Over \$208,350 but not over \$235,350	\$56,364 plus 35% of excess over \$208,350
Over \$235,350	\$65,814 plus 39.6% of excess over \$235,350

TABLE 5 — Section 1(e) — Estates and Trusts

If Taxable Income Is:	The Tax Is:
Not Over \$2,550	15% of the taxable income
Over \$2,550 but not over \$6,000	\$382.50 plus 25% of excess over \$2,550
Over \$6,000 but not over \$9,150	\$1,245 plus 28% of excess over \$6,000
Over \$9,150 but not over \$12,500	\$2,127 plus 33% of excess over \$9,150
Over \$12,500	\$3,232.50 plus 39.6% of excess over \$12,500

2. Unearned Income of Minor Children Taxed as if Parent's Income ("Kiddie Tax")

For tax years beginning in 2017, the amount in §1(g)(4)(A)(ii)(I), which is used to reduce the net unearned income reported on the child's return that is subject to the "kiddie tax," is **\$1,050**. This amount is the same as the **\$1,050** standard deduction amount provided in §63(c)(5)(A). The same **\$1,050** amount is used for purposes of §1(g)(7) (that is, to determine whether a parent may elect to include a child's gross income in the parent's gross income and to calculate the "kiddie tax"). For example, one of the requirements for the parental election is that a child's gross income is more than the amount referenced in §1(g)(4)(A)(ii)(I) but less than 10 times that amount; thus, a child's gross income for 2017 must be more than **\$1,050** but less than **\$10,500**.

3. Adoption Credit

For tax years beginning in 2017, under §23(a)(3) the credit allowed for an adoption of a child with special needs is **\$13,570**. For tax years beginning in 2017, under §23(b)(1) the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to **\$13,570**. The available adoption credit begins to phase out under §23(b)(2)(A) for taxpayers with modified adjusted gross income in excess of **\$203,540**, and is completely phased out for taxpayers with modified adjusted gross income of **\$243,540** or more.

4. Hope Scholarship, American Opportunity, and Lifetime Learning Credits

(1) For tax years beginning in 2017, the Hope Scholarship Credit under §25A(b)(1), as increased under §25A(i) (the American Opportunity Tax Credit), is an amount equal to 100% of qualified tuition and related expenses not in excess of **\$2,000**, plus 25% of those expenses in excess of **\$2,000**, but not in excess of **\$4,000**. Accordingly, the maximum Hope Scholarship Credit allowable under §25A(b)(1) for tax years beginning in 2017 is **\$2,500**.

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(2) For tax years beginning in 2017, a taxpayer's modified adjusted gross income in excess of **\$80,000** (**\$160,000** for a joint return) is used to determine the reduction under §25A(d)(2) in the amount of the Hope Scholarship Credit otherwise allowable under §25A(a)(1). The Hope Scholarship Credit is completely phased out for taxpayers with modified adjusted gross income in excess of **\$90,000** (**\$180,000** for a joint return).

For tax years beginning in 2017, a taxpayer's modified adjusted gross income in excess of **\$56,000** (**\$112,000** for a joint return) is used to determine the reduction under §25A(d)(2) in the amount of the Lifetime Learning Credit otherwise allowable under §25A(a)(2). The Lifetime Learning Credit is completely phased out for taxpayers with modified adjusted gross income in excess of **\$66,000** (**\$132,000** for a joint return).

5. Retirement Savings Contributions Credit

For tax years beginning in 2017, the adjusted gross income limitations under §25B(b) for determining the retirement savings contribution credit are as follows:

Filing Status	AGI Limit for 50% Credit	AGI Limit for 20% Credit	AGI Limit for 10% Credit
Married Individuals Filing Joint Returns (§25B(b)(1))	\$37,000	\$40,000	\$62,000
Heads of Households (§25B(b)(2)(A))	\$27,750	\$30,000	\$46,500
All Other Taxpayers (§25B(b)(2)(B))	\$18,500	\$20,000	\$31,000

6. Earned Income Credit

(1) In general

The “earned income amount” is the amount of earned income at or above which the maximum amount of the earned income credit is allowed. The “threshold phaseout amount” is the amount of adjusted gross income (or, if greater, earned income) above which the maximum amount of the credit begins to phase out. The “completed phaseout amount” is the amount of adjusted gross income (or, if greater, earned income) at or above which no credit is allowed. The instructions for the Form 1040 series provide tables showing the amount of the earned income credit for each type of taxpayer.

For tax years beginning in 2017, the following amounts are used to determine the earned income credit under §32(b). The threshold phaseout amounts and the completed phaseout amounts shown in the table below for married taxpayers filing a joint return include the increase provided in §32(b)(3)(B)(i), as adjusted for inflation for tax years beginning in 2017.

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Item	Number of Qualifying Children			
	One	Two	Three or More	None
Earned Income Amount	\$10,000	\$14,040	\$14,040	\$6,670
Maximum Amount of Credit	\$3,400	\$5,616	\$6,318	\$510
Threshold Phaseout Amount (Single, Surviving Spouse, or Head of Household)	\$18,340	\$18,340	\$18,340	\$8,340
Completed Phaseout Amount (Single, Surviving Spouse, or Head of Household)	\$39,617	\$45,007	\$48,340	\$15,010
Threshold Phaseout Amount (Married Filing Jointly)	\$23,930	\$23,930	\$23,930	\$13,930
Completed Phaseout Amount (Married Filing Jointly)	\$45,207	\$50,597	\$53,930	\$20,600

(2) Excessive investment income

For tax years beginning in 2017, the earned income tax credit is not allowed under §32(i) if the aggregate amount of certain investment income exceeds **\$3,450**.

7. Premium Assistance Credit

For tax years beginning in 2017, the amounts used to determine the limitation on the increase of tax for excess advance payments of the premium assistance credit under §36B(f)(2) are as follows:

Household Income as a Percentage of Poverty Line	Applicable Amount
Less than 200%	\$600
At least 200% but less than 300%	\$1,500
At least 300% but less than 400%	\$2,550

8. Rehabilitation Expenditures Treated as Separate New Building

For calendar year 2017, the per low-income unit qualified basis amount under §42(e)(3)(A)(ii)(II) is **\$6,700**.

9. Low-Income Housing Credit

For calendar year 2017, the amount used under §42(h)(3)(C)(ii) to calculate the State housing credit ceiling for the low-income housing credit is the greater of (1) **\$2.35** multiplied by the State population, or (2) **\$2,710,000**.

10. Small Employer Health Insurance Credit

For tax years beginning in 2017, the dollar amount used under §45R(d)(3) to determine the maximum allowable average annual wages paid by an eligible small employer is **\$26,150**.

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11. *Alternative Minimum Tax*

(1) *Amount of Tentative Tax—Noncorporate Taxpayers*

For tax years beginning in 2017, the threshold amount of taxable excess under §55(b)(1)(A)(i) used to compute the tentative minimum tax is **\$93,900** for married taxpayers filing separate returns and **\$187,800** for all other taxpayers.

(2) *Exemption Amount for Taxpayers Other Than Corporations*

For tax years beginning in 2017, the exemption amounts for taxpayers other than corporations under §55(d)(1) are as follows:

Filing Status	Exemption Amount
Married Individuals Filing Joint Returns and Surviving Spouses (§55(d)(1)(A))	\$84,500
Unmarried Individuals (other than Surviving Spouses) (§55(d)(1)(B))	\$54,300
Married Individuals Filing Separate Returns (§55(d)(1)(C))	\$42,250
Estates and Trusts (§55(d)(1)(D))	\$24,100

(3) *Phaseout of Exemption Amount*

For tax years beginning in 2017, the phaseout amounts of alternative minimum taxable income under §55(d)(3), above which the exemption amount is reduced or eliminated, are as follows:

Filing Status	Threshold Phaseout	Completed Phaseout
Married Individuals Filing Joint Returns and Surviving Spouses (§55(d)(3)(A))	\$160,900	\$498,900
Unmarried Individuals (other than Surviving Spouses) (§55(d)(3)(B))	\$120,700	\$337,900
Married Individuals Filing Separate Returns (§55(d)(3)(C))	\$80,450	\$249,450
Estates and Trusts (§55(d)(3)(C))	\$80,450	\$176,850

12. *Alternative Minimum Tax Exemption for a Child Subject to the “Kiddie Tax”*

For tax years beginning in 2017, for a child to whom the §1(g) “kiddie tax” applies, the exemption amount under §55 and §59(j) for purposes of the alternative minimum tax under §55 may not exceed the sum of (1) the child's earned income for the tax year, plus (2) **\$7,500**.

13. *Certain Expenses of Elementary and Secondary School Teachers*

For tax years beginning in 2017, the maximum amount which an eligible educator may deduct under §62(a)(2)(D) for expenses incurred in connection with participation in certain professional development courses or in connection with certain books, supplies, equipment, and supplementary materials used by the eligible educator in the classroom is **\$250**.

14. *Transportation Mainline Pipeline Construction Industry Optional Expense Substantiation Rules for*

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Payments to Employees under Accountable Plans

For calendar year 2017, an eligible employer may pay certain welders and heavy equipment mechanics up to **\$17** per hour for rig-related expenses that are deemed substantiated under an accountable plan if paid in accordance with Rev. Proc. 2002-41, 2002-1 C.B. 1098. If the employer provides fuel or otherwise reimburses fuel expenses, up to **\$11** per hour is deemed substantiated if paid under Rev. Proc. 2002-41.

15. Standard Deduction

(1) In general

For tax years beginning in 2017, the standard deduction amounts under §63(c)(2) are as follows:

Filing Status	Standard Deduction
Married Individuals Filing Joint Returns and Surviving Spouses (§63(c)(2)(A))	\$12,700
Heads of Households (§63(c)(2)(B))	\$9,350
All other Taxpayers (§63(c)(2)(C))	\$6,350

(2) Dependent

For tax years beginning in 2017, the standard deduction amount under §63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) **\$1,050**, or (2) the sum of **\$350** and the individual's earned income.

(3) Aged or blind

For tax years beginning in 2017, the additional standard deduction amount under §63(f) for the aged or the blind is **\$1,250**. These amounts increase to **\$1,550** if the individual is also unmarried and not a surviving spouse.

16. Overall Limitation on Itemized Deductions

For tax years beginning in 2017, the “applicable amounts” of adjusted gross income under §68(b), above which the amount of otherwise allowable itemized deductions are reduced, are as follows:

Filing Status	Applicable Amount
Married Individuals Filing Joint Returns and Surviving Spouses (§68(b)(1)(A))	\$313,800
Heads of Households (§68(b)(1)(B))	\$287,650
Unmarried Individuals (other than Surviving Spouses and Heads of Households) (§68(b)(1)(C))	\$261,500
Married Individuals Filing Separate Returns (§68(b)(1)(D))	\$156,900

17. Health Flexible Spending Arrangements

For tax years beginning in 2017, the annual limitation on health flexible spending arrangements under §125(i) is **\$2,600**.

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18. *Qualified Transportation Fringe Benefit*

For tax years beginning in 2017, the monthly limitation under §132(f)(2)(A), regarding the aggregate fringe benefit exclusion amount for transportation in a commuter highway vehicle and any transit pass, is **\$235 (\$255)**.^{*} The monthly limitation under §132(f)(2)(B), regarding the fringe benefit exclusion amount for qualified parking, is **\$255**.

^{*} Bloomberg BNA has identified certain instances where it appears that, in previous years, the IRS made an error in applying the calculations set forth in the IRC. Where two numbers are shown, the first amount is the amount Bloomberg BNA believes is correct according to the IRC; the amount in parenthesis is the amount Bloomberg BNA expects the IRS to publish, based on an analysis of the IRS's previously published amounts.

19. *Income from United States Savings Bonds for Taxpayers Who Pay Qualified Higher Education Expenses*

For tax years beginning in 2017, the exclusion under §135, regarding income from United States savings bonds for taxpayers who pay qualified higher education expenses, begins to phase out for modified adjusted gross income above **\$117,250** for joint returns and **\$78,150** for other returns. The exclusion is completely phased out for modified adjusted gross income of **\$147,250** or more for joint returns and **\$93,150** or more for other returns.

20. *Adoption Assistance Programs*

For tax years beginning in 2017, under §137(a)(2) the amount that can be excluded from an employee's gross income for the adoption of a child with special needs is **\$13,570**. For tax years beginning in 2017, under §137(b)(1) the maximum amount that can be excluded from an employee's gross income for the amounts paid or expenses incurred by an employer for qualified adoption expenses furnished pursuant to an adoption assistance program for other adoptions by the employee is **\$13,570**. The amount excludible from an employee's gross income begins to phase out under §137(b)(2)(A) for taxpayers with modified adjusted gross income in excess of **\$203,540**, and completely phases out for taxpayers with modified adjusted gross income of **\$243,540** or more.

21. *Private Activity Bonds Volume Cap*

For calendar year 2017, the amounts used under §146(d)(1) to calculate the State ceiling for the volume cap for private activity bonds are the greater of (1) **\$100** multiplied by the State population, or (2) **\$305,315,000**.

22. *Loan Limits on Agricultural Bonds*

For calendar year 2017, the loan limit amount on agricultural bonds under §147(c)(2)(A) for first-time farmers is **\$524,200**.

23. *General Arbitrage Rebate Rules*

For bond years ending in 2017, the amount of the computation credit determined under permission to rely on Prop. Reg. §1.148-3(d) is **\$1,670**.

24. *Safe Harbor Rules for Broker Commissions on Guaranteed Investment Contracts or Investments Purchased for a Yield Restricted Defeasance Escrow*

For calendar year 2017, under Reg. §1.148-5(e)(2)(iii)(B)(1), a broker's commission or similar fee for the acquisition of a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow is reasonable if: (1) the amount of the fee that the issuer treats as a qualified

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administrative cost does not exceed the lesser of: (A) **\$39,000**, and (B) 0.2 percent of the computational base (as defined in Reg. §1.148-5(e)(2)(iii)(B)(2)) or, if more, **\$4,000**; and (2) the issuer does not treat more than **\$111,000** in brokers' commissions or similar fees as qualified administrative costs for all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with gross proceeds of the issue.

25. Personal Exemption

For tax years beginning in 2017, the personal exemption amount under §151(d) is **\$4,050**.

The phaseout amounts of adjusted gross income under §151(d)(3), above which the amount of otherwise allowable personal exemption deductions is reduced or eliminated, are as follows:

Filing Status	Threshold Phaseout Amount	Completed Phaseout Amount
Married Individuals Filing Joint Returns and Surviving Spouses (§151(d)(3), referencing §68(b)(1)(A))	\$313,800	\$436,300
Heads of Households (§151(d)(3), referencing §68(b)(1)(B))	\$287,650	\$410,150
Unmarried Individuals (other than Surviving Spouses and Heads of Households) (§151(d)(3), referencing §68(b)(1)(C))	\$261,500	\$384,000
Married Individuals Filing Separate Returns (§151(d)(3), referencing §68(b)(1)(D))	\$156,900	\$218,150

26. Election to Expense Certain Depreciable Assets

For tax years beginning in 2017, under §179(b)(1)(C) the aggregate cost of any §179 property a taxpayer may elect to treat as an expense cannot exceed **\$510,000**. Under §179(b)(2)(C), the **\$510,000** limitation is reduced (but not below zero) by the amount the cost of §179 property placed in service during the 2017 tax year exceeds **\$2,030,000**.

27. Eligible Long-Term Care Premiums

For tax years beginning in 2017, the limitations under §213(d)(10), regarding eligible long-term care premiums includible in the term "medical care," are as follows:

Attained Age Before Close of Tax Year	Limitation on Premiums
40 or Less	\$410
More Than 40 But Not More Than 50	\$765 (\$770)
More Than 50 But Not More Than 60	\$1,530
More Than 60 But Not More Than 70	\$4,090
More Than 70	\$5,110

* Bloomberg BNA has identified certain instances where it appears that, in previous years, the IRS made an error in applying the calculations set forth in the IRC. Where two numbers are shown, the first amount is the amount Bloomberg BNA believes is correct according to the IRC; the amount in parenthesis is the amount Bloomberg BNA expects the IRS to publish, based on an analysis of the IRS's previously published amounts.

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28. Qualified Retirement Contributions

(1) Deductible Amount

For tax years beginning in 2017, the maximum deductible amount under §219(b)(5)(A) for qualified retirement contributions is **\$5,500**.

(2) Limitation on Deduction for Active Participants in Certain Pension Plans

For tax years beginning in 2017, the applicable dollar amounts used to determine the limitation on the deduction under §219(g) for active participants in certain pension plans are as follows:

Filing Status	Applicable Amount
Married Individual Filing a Joint Return (§219(g)(3)(B)(i))	\$99,000
All other Taxpayers (other than a Married Individual Filing a Separate Return) (§219(g)(3)(B)(ii))	\$62,000
Married Individual Filing a Separate Return (§219(g)(3)(B)(iii))	\$0
Spouses Who Are Not Active Participants (§219(g)(7))	\$186,000

29. Medical Savings Accounts

(1) Self-only coverage

For tax years beginning in 2017, the term “high deductible health plan” as defined in §220(c)(2)(A) means, for self-only coverage, a health plan that has an annual deductible that is not less than **\$2,250** and not more than **\$3,350**, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed **\$4,500**.

(2) Family coverage

For tax years beginning in 2017, the term “high deductible health plan” means, for family coverage, a health plan that has an annual deductible that is not less than **\$4,500** and not more than **\$6,750**, and under which the annual out-of-pocket expenses required to be paid (other than for premiums) for covered benefits do not exceed **\$8,250**.

30. Interest on Education Loans

For tax years beginning in 2017, the \$2,500 maximum deduction for interest paid on qualified education loans under §221 begins to phase out under §221(b)(2)(B) for taxpayers with modified adjusted gross income in excess of **\$65,000** (**\$135,000** for joint returns), and is completely phased out for taxpayers with modified adjusted gross income of **\$80,000** or more (**\$165,000** or more for joint returns).

31. Roth IRAs

For tax years beginning in 2017, the adjusted gross income limitations under §408A(c)(3)(B)(ii) for determining maximum Roth IRA contributions are as follows:

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Filing Status	Applicable Amount
Married Individual Filing a Joint Return (§408A(c)(3)(B)(ii)(I))	\$186,000
Any other Taxpayer (other than a Married Individual Filing a Separate Return) (§408A(c)(3)(B)(ii)(II))	\$118,000
Married Individual Filing a Separate Return (§408A(c)(3)(B)(ii)(III))	\$0

32. Single-Employer Defined Benefit Pension Plans

For tax years beginning in 2017, the dollar amount under §430(c)(7)(D)(i)(II) used to determine excess employee compensation with respect to a single-employer defined benefit pension plan for which the special election under §430(c)(2)(D) has been made is **\$1,115,000**.

33. Treatment of Dues Paid to Agricultural or Horticultural Organizations

For tax years beginning in 2017, the limitation under §512(d)(1), regarding the exemption of annual dues required to be paid by a member to an agricultural or horticultural organization, is **\$162**.

34. Insubstantial Benefit Limitations for Contributions Associated with Charitable Fund-Raising Campaigns

(1) Low cost article

For tax years beginning in 2017, the unrelated business income of certain exempt organizations under §513(h)(2) does not include a “low cost article” of **\$10.70** or less.

(2) Other insubstantial benefits

For tax years beginning in 2017, the \$5, \$25, and \$50 guidelines in section 3 of Rev. Proc. 90-12, 1990-1 C.B. 471 (as amplified by Rev. Proc. 92-49, 1992-1 C.B. 987, and modified by Rev. Proc. 92-102, 1992-2 C.B. 579), for disregarding the value of insubstantial benefits received by a donor in return for a fully deductible charitable contribution under §170, are **\$10.70**, **\$53.50**, and **\$107**, respectively.

35. Tax on Insurance Companies Other Than Life Insurance Companies

For tax years beginning in 2017, certain small non-life insurance companies may elect to be taxed solely on their investment income as provided in §831(b) if their net written premiums (or, if greater, direct written premiums) for the tax year do not exceed **\$2,250,000**.

36. Expatriation to Avoid Tax

For calendar year 2017, an individual with “average annual net income tax” of more than **\$162,000** for the five tax years ending before the date of the loss of United States citizenship under §877(a)(2)(A) is a covered expatriate for purposes of §877A(g)(1).

37. Tax Responsibilities of Expatriation

For tax years beginning in 2017, the amount that would be includible in the gross income of a covered expatriate by reason of §877A(a)(1) is reduced (but not below zero) by **\$699,000**.

38. Foreign Earned Income Exclusion

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For tax years beginning in 2017, the foreign earned income exclusion amount under §911(b)(2)(D)(i) is **\$102,100**.

39. *Unified Credit Against Estate Tax*

For an estate of any decedent dying during calendar year 2017, the basic exclusion amount is **\$5,490,000** for determining the amount of the unified credit against estate tax under §2010.

40. *Valuation of Qualified Real Property in Decedent's Gross Estate*

For an estate of a decedent dying in calendar year 2017, if the executor elects to use the special use valuation method under §2032A for qualified real property, the aggregate decrease in the value of qualified real property resulting from electing to use §2032A for purposes of the estate tax cannot exceed **\$1,120,000**.

41. *Annual Exclusion for Gifts*

(1) For calendar year 2017, the amount of gifts to any person (other than gifts of future interests in property) that are not included in the total amount of taxable gifts under §2503 made during that year is **\$14,000**.

(2) For calendar year 2017, the amount of gifts to a spouse who is not a citizen of the United States (other than gifts of future interests in property) that are not included in the total amount of taxable gifts under §2503 and §2523(i)(2) made during that year is **\$149,000**.

42. *Tax on Arrow Shafts*

For calendar year 2017, the tax imposed under §4161(b)(2)(A) on the first sale by the manufacturer, producer, or importer of any shaft of a type used in the manufacture of certain arrows is **\$0.50** per shaft.

43. *Passenger Air Transportation Excise Tax*

For calendar year 2017, the tax under §4261(b)(1) on the amount paid for each domestic segment of taxable air transportation is **\$4.10**. For calendar year 2017, the tax under §4261(c)(1) on any amount paid (whether within or without the United States) for any air transportation, if the transportation begins or ends in the United States, generally is **\$18.00**. However, for a domestic segment beginning or ending in Alaska or Hawaii as described in §4261(c)(3), the tax applies only to departures and the rate is **\$9.00**.

44. *Shared Responsibility for Employers Regarding Health Coverage*

(1) *Large Employers Not Offering Health Coverage*

For calendar years beginning in 2017, the monthly assessable payment imposed under §4980H(a) on applicable large employers failing to offer their full-time employees (and their dependents) the opportunity to enroll in minimum essential coverage under an eligible employer-sponsored plan for any month is the product of $\frac{1}{12}$ of **\$2,260** and the number of individuals employed by the employer as full-time employees during such month (reduced by 30).

(2) *Large Employers Offering Coverage With Employees Who Qualify For Premium Tax Credits Or Cost-Sharing Reductions*

For calendar years beginning in 2017, the monthly assessable payment imposed under §4980H(b) on applicable large employers is the product of $\frac{1}{12}$ of **\$3,390** and the number of individuals certified to the

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employer as having enrolled for such month in a qualified health plan with respect to which an applicable premium tax credit or cost-sharing reduction is allowed or paid.

45. *Requirement to Maintain Minimum Essential Coverage*

For tax years beginning in 2017, the applicable dollar amount used to determine the penalty under §5000A(c) for failure to maintain minimum essential coverage is **\$695**.

46. *Reporting Exception for Certain Exempt Organizations with Nondeductible Lobbying Expenditures*

For tax years beginning in 2017, the annual per person, family, or entity dues limitation to qualify for the reporting exception under §6033(e)(3) (and section 5.05 of Rev. Proc. 98-19, 1998-1 C.B. 547), regarding certain exempt organizations with nondeductible lobbying expenditures, is **\$113** or less.

47. *Notice of Large Gifts Received from Foreign Persons*

For tax years beginning in 2017, recipients of gifts from certain foreign persons may be required to report these gifts under §6039F if the aggregate value of gifts received in a tax year exceeds **\$15,797**.

48. *Persons Against Whom a Federal Tax Lien Is Not Valid*

For calendar year 2017, a federal tax lien is not valid against: (1) certain purchasers under §6323(b)(4) who purchased personal property in a casual sale for less than **\$1,540**, or (2) a mechanic's lien or under §6323(b)(7) who repaired or improved certain residential property if the contract price with the owner is not more than **\$7,690**.

49. *Property Exempt from Levy*

For calendar year 2017, the value of property exempt from levy under §6334(a)(2) (fuel, provisions, furniture, and other household personal effects, as well as arms for personal use, livestock, and poultry) cannot exceed **\$9,200**. The value of property exempt from levy under §6334(a)(3) (books and tools necessary for the trade, business, or profession of the taxpayer) cannot exceed **\$4,600**.

50. *Interest on a Certain Portion of the Estate Tax Payable in Installments*

For an estate of a decedent dying in calendar year 2017, the dollar amount used to determine the “2-percent portion” (for purposes of calculating interest under §6601(j)) of the estate tax extended as provided in §6166 is **\$1,490,000**.

51. *Failure to File Tax Return*

For tax years beginning in 2017, the amount of the additional tax under §6651(a) for failure to file a tax return within 60 days of the due date shall not be less than the lesser of **\$210** or 100 percent of the amount required to be shown as tax on the return.

52. *Failure to File Certain Information Returns, Registration Statements, Etc.*

For tax years beginning in 2017, the penalties under §6652(c) for certain exempt organizations and trusts failing to file returns, disclosures, etc., are set forth below.

- (1) *Annual Returns Under §6033(a)(1) or §6012(a)(6)*

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Scenario	Daily Penalty	Maximum Penalty
Organization (§6652(c)(1)(A))	\$20	Lesser of (i) \$10,000 or (ii) 5% of gross receipts for year
Organization with Gross Receipts Greater than \$1,028,500 (§6652(c)(1)(A))	\$100	\$51,000
Managers (§6652(c)(1)(B)(ii))	\$10	\$5,000
Public Inspection of Annual Returns and Reports (§6652(c)(1)(C))	\$20	\$10,000
Public Inspection Of Applications For Exemption And Notice Of Status (§6652(c)(1)(D))	\$20	No limit

(2) Returns Under §6034 or §6043(b)

Scenario	Daily Penalty	Maximum Penalty
Organization or Trust (§6652(c)(2)(A))	\$10	\$5,000
Managers (§6652(c)(2)(B))	\$10	\$5,000
Split Interest Trust (§6652(c)(2)(C))	\$20	\$10,000
Any Split Interest Trust with Gross Income Greater than \$257,000 (§6652(c)(2)(C)(ii))	\$100	\$51,000

(3) Disclosure Under §6033(a)(2)

Scenario	Daily Penalty	Maximum Penalty
Tax-Exempt Entity (§6652(c)(3)(A))	\$100	\$51,000
Failure to Comply with Written Demand (§6652(c)(3)(B))	\$100	\$10,000

53. Other Assessable Penalties with Respect to the Preparation of Tax Returns for Other Persons

For tax years beginning in 2017, in the case of any failure under §6695, the penalties are as follows:

Scenario	Penalty Per Violation	Maximum Penalty
Failure to Furnish Copy to Taxpayer (§6695(a))	\$50	\$25,500
Failure to Sign Return (§6695(b))	\$50	\$25,500
Failure to Furnish Identifying Number (§6695(c))	\$50	\$25,500
Failure to Retain Copy or List (§6695(d))	\$50	\$25,500
Failure to File Correct Information Returns (§6695(e))	\$50	\$25,500
Negotiation of Check (§6695(f))	\$510	No limit
Failure to be Diligent in Determining Eligibility for Child Tax Credit, American Opportunity Tax Credit, and Earned Income Credit (§6695(g))	\$510	No limit

54. Failure to File Partnership Return

For tax years beginning in 2017, the dollar amount used to determine the penalty under §6698(b)(1) is **\$200** per partner.

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55. Failure to File S Corporation Return

For tax years beginning in 2017, the dollar amount used to determine the penalty under §6699(b)(1) is **\$200** per shareholder.

56. Failure to File Correct Information Returns

(1) Persons with Average Annual Gross Receipts for the Most Recent Three Tax Years of More Than \$5,000,000

For tax years beginning in 2017, the penalty amounts under §6721, for persons with average annual gross receipts for the most recent three tax years of more than \$5,000,000, for failure to file correct information returns, are as follows:

Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (§6721(a)(1))	\$260	\$3,218,500
Corrected On Or Before 30 Days After Required Filing Date (§6721(b)(1))	\$50	\$536,000
Corrected After 30th Day But On Or Before August 1 (§6721(b)(2))	\$100	\$1,609,000

(2) Persons with Average Annual Gross Receipts for the Most Recent Three Tax Years of \$5,000,000 or Less

For tax years beginning in 2017, the penalty amounts under §6721, for persons with average annual gross receipts for the most recent three tax years of \$5,000,000 or less, for failure to file correct information returns, are as follows:

Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (§6721(d)(1)(A))	\$260	\$1,072,500
Corrected On Or Before 30 Days After Required Filing Date (§6721(d)(1)(B))	\$50	\$187,500
Corrected After 30th Day But On Or Before August 1 (§6721(d)(1)(C))	\$100	\$536,000

(3) Penalty in Case of Intentional Disregard

For tax years beginning in 2017, the penalty amounts under §6721 for failure to file correct information returns due to intentional disregard of the filing requirement (or the correct information reporting requirement) are as follows:

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Scenario	Penalty Per Return	Calendar Year Maximum
Return other than a Return Required to be Filed Under §§6045(a), 6041A(b), 6050H, 6050I, 6050J, 6050K, or 6050L (§6721(e)(2)(A))	Greater of (i) \$530 or (ii) 10% of aggregate amount of items required to be reported correctly	No limit
Return Required to be Filed Under §§6045(a), 6050K, or 6050L (§6721(e)(2)(B))	Greater of (i) \$530 or (ii) 5% of aggregate amount of items required to be reported correctly	No limit
Return Required to be Filed Under §6050I(a) (§6721(e)(2)(C))	Greater of (i) \$26,820 or (ii) amount of cash received up to \$107,000	No limit
Return Required to be Filed Under §6050V (§6721(e)(2)(D))	Greater of (i) \$530 or (ii) 10% of the value of the benefit of any contract with respect to which information is required to be included on the return	No limit

57. Failure to Furnish Correct Payee Statements

- (1) *Persons with Average Annual Gross Receipts for the Most Recent Three Tax Years of More Than \$5,000,000*

For tax years beginning in 2017, the penalty amounts under §6722, for persons with average annual gross receipts for the most recent three tax years of more than \$5,000,000, for failure to furnish correct payee statements, are as follows:

Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (§6722(a)(1))	\$260	\$3,218,500
Corrected On Or Before 30 Days After Required Filing Date (§6722(b)(1))	\$50	\$536,000
Corrected After 30th Day But On Or Before August 1 (§6722(b)(2))	\$100	\$1,609,000

- (2) *Persons with Average Annual Gross Receipts for the Most Recent Three Tax Years of Not More Than \$5,000,000*

For tax years beginning in 2017, the penalty amounts under §6722, for persons with average annual gross receipts for the most recent three tax years of not more than \$5,000,000, for failure to furnish correct payee statements, are as follows:

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Scenario	Penalty Per Return	Calendar Year Maximum
General Rule (§6722(d)(1)(A))	\$260	\$1,072,500
Corrected On Or Before 30 Days After Required Filing Date (§6722(d)(1)(B))	\$50	\$187,500
Corrected After 30th Day But On Or Before August 1 (§6722(d)(1)(C))	\$100	\$536,000

(3) Penalty in Case of Intentional Disregard

For tax years beginning in 2017, the penalty amounts under §6722 for failure to furnish correct payee statements due to intentional disregard of the requirement to furnish a payee statement (or the correct information reporting requirement) are as follows:

Scenario	Penalty Per Return	Calendar Year Maximum
Statement other than a Statement Required Under §§6045(b), 6041A(e) (in respect of a return required under §6041A(b)), 6050H(d), 6050J(e), 6050K(b), or 6050L(c) (§6722(e)(2)(A))	Greater of (i) \$530 or (ii) 10% of aggregate amount of items required to be reported correctly	No limit
Statement Required Under §§6045(b), 6050K(b), or 6050L(c) (§6722(e)(2)(B))	Greater of (i) \$530 or (ii) 5% of aggregate amount of items required to be reported correctly	No limit

58. Revocation or Denial of Passport

For calendar year 2017, the threshold amount for seriously delinquent tax debts under §7345(b)(1) is **\$50,000**.

59. Attorney Fee Awards

For fees incurred in calendar year 2017, the attorney fee award limitation under §7430(c)(1)(B)(iii) is **\$200** per hour.

60. Periodic Payments Received Under Qualified Long-Term Care Insurance Contracts or Under Certain Life Insurance Contracts

For calendar year 2017, the stated dollar amount of the per diem limitation under §7702B(d)(4), regarding periodic payments received under a qualified long-term care insurance contract or periodic payments received under a life insurance contract that are treated as paid by reason of the death of a chronically ill individual, is **\$355 (\$360)**.*

* Bloomberg BNA has identified certain instances where it appears that, in previous years, the IRS made an error in applying the calculations set forth in the IRC. Where two numbers are shown, the first amount is the amount Bloomberg BNA believes is correct according to the IRC; the amount in parenthesis is the amount Bloomberg BNA expects the IRS to publish, based on an analysis of the IRS's previously published amounts.

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1801 South Bell Street, Arlington, Virginia 22202
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0916-JO210201