

## 2023 Tax Considerations

The tax year 2023 adjustments described below generally apply to tax returns filed in 2024.

The tax items for tax year 2023 of greatest interest to most taxpayers include the following dollar amounts:

- The standard deduction for married couples filing jointly for tax year 2023 rises to \$27,700 up \$1,800 from the prior year. For single taxpayers and married individuals filing separately, the standard deduction rises to \$13,850 for 2023, up \$900, and for heads of households, the standard deduction will be \$20,800 for tax year 2023, up \$1,400 from the amount for tax year 2022.
- **Marginal Rates:** For tax year 2023, the top tax rate remains 37% for individual single taxpayers with incomes greater than \$578,125 (\$693,750 for married couples filing jointly).

The other rates are:

- 35% for incomes over \$231,250 (\$462,500 for married couples filing jointly);
- 32% for incomes over \$182,100 (\$364,200 for married couples filing jointly);
- 24% for incomes over \$95,375 (\$190,750 for married couples filing jointly);
- 22% for incomes over \$44,725 (\$89,450 for married couples filing jointly);
- 12% for incomes over \$11,000 (\$22,000 for married couples filing jointly).

The lowest rate is 10% for incomes of single individuals with incomes of \$11,000 or less (\$22,000 for married couples filing jointly).

- The Alternative Minimum Tax exemption amount for tax year 2023 is \$81,300 and begins to phase out at \$578,150 (\$126,500 for married couples filing jointly for whom the exemption begins to phase out at \$1,156,300). The 2022 exemption amount was \$75,900 and began to phase out at \$539,900 (\$118,100 for married couples filing jointly for whom the exemption began to phase out at \$1,079,800).
- Estates of decedents who die during 2023 have a basic exclusion amount of \$12,920,000, up from a total of \$12,060,000 for estates of decedents who died in 2022.
- The annual exclusion for gifts increases to \$17,000 for calendar year 2023, up from \$16,000 for calendar year 2022.