



# High-Income Taxpayers

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### High-Income Taxpayers

In addition to being subject to higher federal tax rates, taxpayers whose income exceeds certain levels have tax deductions and credits that are reduced or eliminated.

The provisions listed may have additional qualifications and restrictions. Other provisions of the tax code, such as fringe benefit limitations and taxation on the sale of a principal residence, may further restrict a taxpayer's ability to take deductions or cause the taxpayer to pay additional tax. Ask your tax professional for more details.

### Capital Gain Tax Rates

Long-Term Capital Gain and Qualified Dividend Income Maximum Tax Rates			
Taxable Income	Maximum Rate	Taxable Income	Maximum Rate
<b>Single</b>		<b>MFJ or QSS</b>	
\$0 to \$44,625.....	0%	\$0 to \$89,250.....	0%
\$44,626 to \$492,300 .....	15%	\$89,251 to \$553,850 .....	15%
\$492,301 and over.....	20%	\$553,851 and over.....	20%
<b>HOH</b>		<b>MFS</b>	
\$0 to \$59,750.....	0%	\$0 to \$44,625.....	0%
\$59,751 to \$523,050 .....	15%	\$44,626 to \$276,900 .....	15%
\$523,051 and over.....	20%	\$276,901 and over.....	20%

### Itemized Deductions and Personal Exemptions

**Taxes paid.** The itemized deduction for state and local taxes is limited to \$10,000 (\$5,000 MFS). Foreign real property taxes are not deductible.

**Home mortgage interest.** A taxpayer may treat no more than \$750,000 as acquisition indebtedness (\$375,000 MFS). A \$1,000,000 (\$500,000 MFS) limitation applies for any indebtedness incurred prior to December 15, 2017.

A deduction for home equity indebtedness (other than for acquisition or improvement) is not allowed.

**Personal exemptions.** The deduction for personal exemptions is suspended for tax years 2018 through 2025.

### Individual Retirement Arrangements (IRAs)

IRA Individual Contribution Limits		
	2023	2022
Under age 50 .....	\$6,500.....	\$6,000
Age 50 or older .....	\$7,500.....	\$7,000

### Traditional IRA Phaseout Based on Modified AGI (MAGI)

If an individual is an active participant in an employer-sponsored retirement plan, the deduction for a traditional IRA contribution is phased out when MAGI is between the following.

Tax Year	MFJ, QSS	Single, HOH	MFS
2023 .....	\$116,000 to \$136,000.....	\$73,000 to \$83,000 .....	\$0 to \$10,000
2022 .....	\$109,000 to \$129,000.....	\$68,000 to \$78,000 .....	\$0 to \$10,000

If you are not an active participant, but your spouse is, your deduction is phased out when modified AGI is between the following.

Tax Year	MFJ, QSS	MFS
2023 .....	\$218,000 to \$228,000.....	\$0 to \$10,000
2022 .....	\$204,000 to \$214,000.....	\$0 to \$10,000