

**Marlies Y. Hendricks CPA PLLC
2016 US Tax Year**

Business Tax Information	Description	\$	Month/Year
Section 179 Expenses:			
Maximum Expense Limit	Qualifying property used in trade or business (at least 50%)	\$500,000	
SUV Expense Limit		\$25,000	
Investment Limit		\$2,010,000	

Depreciation Lives - MACRS			
Assets(Straight Line)	Most Software		36 month
Assets(200% DB)	Tractor units over the road use, rent-to-own property		3 Year
Assets(200% DB)	Auto&light trucks,computers,copiers,printers, appliances		5 Year
Assets(200% DB)	Most manufacturing equip.,office furniture		7 Year
Assets(Straight Line)	Residential rental & structural components***		27.5 Year
Assets(Straight Line)	Nonresidential bldgs& structural components		39 Year

*****Structural Components : bathtubs,boilers,central air, ceilings, heating systems,chimneys,doors,electrical & wiring, floors, hot water heaters, lighting fixtures, plumbing, roofs, sprikler systems, stairs, walls and windows.**

****Depreciable Asset Election, \$500 per invoice of otherwise depreciable assets may be expensed under safe harbor election**

Estate Taxes	
Estate Tax Exclusion-2016-federal	\$5,450,000
Credit Against Tax	\$2,125,800

State Tax: One-third of states have an estate or inheritance tax, half with exemptions of \$1 million or less. Check rules in decedent's state of domicile and in states where decedent owned real property.

Gift Taxes	
Lifetime Gift Tax Exclusion	\$5,450,000
<u>Annual Gift Tax Exclusion</u>	
Gift per Person	\$14,000
Joint Gifts by Spouse	\$28,000
Top Gift Tax Rate	40%

Description	Pay	% on excess	of the amount over--	Tax
2016 Tax Rates-C Corporations-Form 1120				
IF Taxable Income is between	\$1 to \$50,000		\$0 plus 15%	\$ - = Tax
IF Taxable Income is between	\$50,001 to \$75,000		\$7,500 plus 25%	\$ 50,000 = Tax
IF Taxable Income is between	\$75,001 to \$100,000		\$13,750 plus 34%	\$ 75,000 = Tax
IF Taxable Income is between	\$100,001 to \$335,000		\$22,230 plus 39%	\$ 100,000 = Tax
IF Taxable Income is between	\$335,001 to \$10,000,000		\$113,900 plus 34%	\$ 335,000 = Tax
IF Taxable Income is between	\$10,000,001 to \$15,000,000		\$3,400,000 plus 35%	\$ 10,000,000 = Tax
IF Taxable Income is between	\$15,000,001 to \$18,333,333		\$5,150,000 plus 38%	\$ 15,000,000 = Tax
IF Taxable Income is between	\$18,333,334 and thereafter		35%	= Tax

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Standard Mileage Rates

<u>Mileage Purpose</u>	<u>cents per mile</u>
Business (1/1/16-12/31/16)	54.0
Depreciation Component	24.0
Charitable (1/1/16-12/31/16)	14.0
Medical and Moving (1/1/16-12/31/16)	19.0

<u>Description</u>	<u>Pay</u>	<u>% on excess</u>	<u>of the amount over--</u>	<u>Tax</u>
2016 Tax Rates-Estates & Trusts-Form 1041				
IF Taxable Income is between \$1 to \$2,550	\$0 plus	15%	\$0 =	Tax
IF Taxable Income is between \$2,551 to \$5,950	\$383 plus	25%	\$2,550 =	Tax
IF Taxable Income is between \$5,951 to \$9,050	\$1,233 plus	28%	\$5,950 =	Tax
IF Taxable Income is between \$9,051 to \$12,400	\$2,101 plus	33%	\$9,050 =	Tax
IF Taxable Income is between \$12,401 to and thereafter	\$3,206.00	39.6%	\$12,400 =	Tax

Maximum Long-term Capital Gain Tax Rates AND Qualified Dividend Tax Rates

General Capital Gain Rates

Taxpayers in 10% or 15% tax bracket	0% If asset is held more than one year
Taxpayers in 25% to rate below top rate	15% If asset is held more than one year
Top rate of 39.6% taxpayers	20% If asset is held more than one year
Rate on collectibles	28%
Recaptured gain on real estate-S.1250	25%

Short-term capital gains (held less than 12month) are taxed at individual's ordinary income tax rate 39.6% is maximum rate

Losses - \$3,000 maximum/yr (\$1,500 married - separately)

NOTE: THIS INFORMATION IS DESIGNED TO PROVIDE ACCURATE AND AUTHORITATIVE INFORMATION BASED ON THE GATHERING, COMPILATION & ARRANGEMENT FROM ORIGINAL GOVERNMENT IRS AND STATE PUBLICATIONS. THIS INFORMATION IS OF A GENERAL NATURE AND SHOULD NOT BE RELIED UPON FOR SPECIFIC SITUATIONS WITHOUT SEEKING THE SERVICES OF A COMPETENT PROFESSIONAL LEGAL OR ACCOUNTANT PERSON IN THE FIELD OF TAX ADVICE.