

## PERSONAL EXEMPTION AND STANDARD DEDUCTIONS

### Personal and Dependency Exemptions:

	Federal	Vermont
Individuals	N/A	\$4,150
<b>Standard Deduction:</b>	<b>A</b>	<b>B</b>
Married filing jointly and surviving spouses	\$24,400	\$12,000
Single Taxpayers	\$12,200	\$6,000
Head of Households	\$18,350	\$9,000
Married filing separately	\$12,000	\$6,000
Dependents who file	\$1,050	

(Could be up to \$12,550 if they have earned income)

**A.** Taxpayers who are blind or age 65 and over receive an additional amount of \$1,300 if married (whether filing jointly or separately), or \$1,650 if single or head of household.

**B.** Taxpayers who are blind or age 65 and over receive an additional amount of \$1,000.

## ESTATE AND TRUST TAX RATES FEDERAL

Range of taxable income	Tax	of amount over
\$0 - \$2,600	10%	\$0
2,601 - 9,300	\$260 + 24%	2,600
9,301 - 12,750	1,868.00 + 35%	9,300
Over 12,751	3,075.50 + 37%	12,750

These rates also apply to the "Kiddie Tax" on unearned income of dependents.

## VERMONT (ESTIMATED)

Range of taxable income	Tax	of amount over
\$0 - \$2,550	3.35%	\$0
2,551 - 5,950	\$91 + 6.6%	2,550
5,951 - 9,050	322 + 7.6%	5,950
Over 9,051	564 + 8.75%	9,050

Vermont is estimated as the rates may be adjusted retroactively during the current legislative session.

## INDIVIDUAL TAX RATES FEDERAL

### Married Persons Filing Jointly and Surviving Spouses

Range of taxable income	Tax	of amount over
\$0 - 19,400	10%	\$0
19,401 - 78,950	\$1,940 + 12%	19,400
78,951 - 168,400	9,086 + 22%	78,950
168,401 - 321,450	28,765 + 24%	168,400
321,451 - 408,200	65,497 + 32%	321,450
408,201 - 612,350	91,379 + 35%	408,200
Over 612,350	164,709.50 + 37%	612,350

### Married Persons Filing Separately

Range of taxable income	Tax	of amount over
\$0 - 9,700	10%	\$0
9,701 - 39,475	\$970 + 12%	9,700
39,476 - 84,200	4,543 + 22%	39,475
84,201 - 160,725	14,382.50 + 24%	84,200
160,726 - 204,100	32,748.50 + 32%	160,725
204,101 - 306,175	46,628.50 + 35%	204,100
Over 306,175	82,354.75 + 37%	306,175

### Single Taxpayers

Range of taxable income	Tax	of amount over
\$0 - 9,700	10%	\$0
9,701 - 39,475	\$970 + 12%	9,700
39,476 - 84,200	4,543 + 22%	39,475
84,201 - 160,725	14,382.50 + 24%	84,200
160,726 - 204,100	32,748.50 + 32%	160,725
204,101 - 510,300	46,628.50 + 35%	204,100
Over 510,300	153,798.50 + 37%	510,300

### Head of Household

Range of taxable income	Tax	of amount over
\$0 - 13,850	10%	\$0
13,851 - 52,850	\$1,385 + 12%	13,850
52,851 - 84,200	6,065 + 22%	52,850
84,201 - 160,700	12,962 + 24%	84,200
160,701 - 204,100	31,322 + 32%	160,700
204,001 - 510,300	45,210 + 35%	204,100
Over 510,301	152,380 + 37%	510,300

## INDIVIDUAL TAX RATES VERMONT (ESTIMATED)

### Married Persons Filing Jointly and Surviving Spouses

Range of taxable income	Tax	of amount over
\$0 - 64,600	3.35%	\$0
64,601 - 156,150	\$2,164 + 6.6%	64,600
156,151 - 237,950	8,206 + 7.6%	156,150
Over 237,950	14,423 + 8.75%	237,950

### Married Filing Separately

Range of taxable income	Tax	of amount over
\$0 - 32,300	3.35%	\$0
32,301 - 78,075	\$1,082 + 6.6%	32,300
78,076 - 118,975	4,103 + 7.6%	78,075
Over 118,975	7,212 + 8.75%	118,975

### Single Taxpayers

Range of taxable income	Tax	of amount over
\$0 - 38,700	3.35%	\$0
38,701 - 93,700	\$1,296 + 6.6%	38,700
93,701 - 195,450	4,926 + 7.6%	93,700
Over 195,450	12,659 + 8.75%	195,450

### Head of Household

Range of taxable income	Tax	of amount over
\$0 - 51,850	3.35%	\$0
51,851 - 133,850	\$1,737 + 6.6%	51,850
133,851 - 216,700	7,149 + 7.6%	133,850
Over 216,700	13,446 + 8.75%	216,700

Beginning in 2018 Vermont taxable income is based on federal adjusted gross income reduced by the Vermont personal exemptions and the standard deduction. Vermont will allow a 5% credit for all charitable contributions up to a maximum \$1,000 credit (\$20,000 of contributions). Please note that for AGI exceeding \$150,000, tax is greater of 1) 3% of AGI less U.S. interest or 2) tax tables above.

**Additional Federal Surtax:** Certain individual taxpayers who have net investment income will incur a 3.8% surtax on certain unearned income, potentially increasing their total federal income tax rate to 40.8%. The surtax applies to taxpayers with an adjusted gross income above \$200,000 (single) and \$250,000 (joint filers).

## INDIVIDUAL CAPITAL GAINS RATES FEDERAL

Top Capital Gains Rate	Income Thresholds
0%	Taxable income under \$39,375 (single) or \$78,750 (joint filers) and \$2,650 for estates and trusts
15%	Taxable income under \$434,550 (single) or \$488,850 (joint filers) and \$12,950 for estates and trusts
20%	Taxable income over \$434,550 (single) or \$488,851 (joint filers) and >\$12,950 for estates and trusts

Rates are for long-term capital gains on assets held more than one year. Short-term and long-term capital gains are treated separately and a loss can be used to offset a gain of the same type. Short-term gains are taxed as ordinary income. Net capital losses may offset other income by up to \$3,000 per year (\$1,500 for married filing separately). The balance of unused capital losses is carried forward indefinitely.

### IMPORTANT ADDRESSES: For Individual Estimated Tax Payments:

Internal Revenue Service (for VT, NY, NH residents)  
P.O. Box 37007  
Hartford, CT 06176-7007

Vermont Department of Taxes  
P.O. Box 1779  
Montpelier, VT 05601-1779

## CORPORATE TAX RATES FEDERAL

Range of taxable income	Tax	of amount over
All income	21%	\$0

## VERMONT

Range of taxable income	Tax	of amount over
\$0 - 10,000	6%	\$0
10,001 - 25,000	\$600 + 7%	10,000
Over 25,000	1,650 + 8.5%	25,000

## VERMONT CORPORATE MINIMUM TAX

Gross Receipts	Tax
\$2,000,00 or less	\$300
\$2,000,001-\$5,000,000	\$500
\$5,000,001 and over	\$750

## INCOME PHASEOUT RANGES<sup>1</sup> FILING STATUS

	Married-Joint	Head of Household	Single	Married-Separate
<b>Personal Exemption</b>	Exemptions repealed			
<b>Itemized Deduction</b>	Itemized deductions no longer phased out			
<b>Child Tax Credit<sup>2</sup></b>	\$400,000 - varies	\$200,000 - varies	\$200,000 - varies	\$200,000 - varies
<b>Education Loan Interest Deduction</b>	\$140,000 - 170,000	\$70,000-85,000	\$70,000-85,000	N/A <sup>3</sup>
<b>Roth IRA</b>	\$193,000 - 203,000	\$122,000 - 137,000	\$122,000 - 137,000	\$0 <sup>4</sup> - 10,000
<b>Traditional IRA w/Pension</b>	\$103,000 - 123,000	\$64,000 - 74,000	\$64,000 - 74,000	\$0 <sup>4</sup> - 10,000
<b>Traditional IRA Spouse w/Pension</b>	\$193,000 - 203,000	N/A	N/A	\$0 <sup>4</sup> - 10,000
<b>American Opportunity Credit</b>	\$160,000 - 180,000	\$80,000 - 90,000	\$80,000 - 90,000	N/A <sup>3</sup>
<b>Lifetime Learning Credit</b>	\$116,000 - 136,000	\$58,000 - 68,000	\$58,000 - 68,000	N/A <sup>3</sup>
<b>Alternative Minimum Tax (AMT) Exemption</b>	\$111,700	\$71,700	\$71,700	\$55,850 <sup>5</sup>

<sup>1</sup> Income refers to adjusted gross income with some modifications

<sup>2</sup> The income level at which this credit will be completely phased out depends on the number of qualified children

<sup>3</sup> A married person must file a joint return in order to take advantage of this tax break

<sup>4</sup> This limit applies if you lived with your spouse any time during the year. If not, use single figures

<sup>5</sup> Subject to phaseout based upon AMT income

## CONSUMER PRICE INDEX (CPI-U)

Year	Average 12-Month Increase
2016	2.1%
2017	2.1%
2018	1.9%

## OTHER IMPORTANT TAX INFORMATION

	2019	2018
<b>Unearned Income w/o Kiddie Tax</b>	\$2,200	\$2,100
<b>Child Tax Credit</b>	\$2,000	\$2,000
<b>Family Tax Credit (Non-child dependent)</b>	\$500	\$500
<b>Auto Standard Mileage Allowances</b>		
Business	58¢	54.5¢
Charity Work	14¢	14¢
Medical/Moving	20¢	18¢
<b>Section 179 Deduction</b>	\$1,020,000	\$1,000,000
<b>Earning Ceiling for Social Security</b>		
Under full retirement age	\$1,470/mo	\$1,420/mo
Year retirement age reached	\$3,910/mo	\$3,780/mo
Above full retirement age	Unlimited	Unlimited
<b>Estate Tax Exclusion</b>		
Equivalent—Federal	\$11,400,000	\$11,180,000
Equivalent—Vermont	\$2,750,000	\$2,750,000
<b>Federal Estate Tax (Above Exemption Amount)</b>	40%	40%
<b>Vermont Estate Tax (Above Exemption Amount)</b>	16%	16%
<b>Annual Gift Exclusion</b>	\$15,000	\$15,000
<b>Lifetime Gift Exclusion</b>	\$11,400,000	\$11,180,000
<b>Max Compensation Qualified Plans</b>	\$280,000	\$275,000
<b>Max Contribution Defined Contribution Plan</b>	\$56,000	\$55,000
<b>Max Deferral 401(k) / 403(b) 50 and Over Catch up</b>	\$19,000 \$6,000	\$18,500 \$6,000
<b>Max Deferral SIMPLE 50 and Over Catch up</b>	\$13,000 \$3,000	\$12,500 \$3,000
<b>IRA, Traditional and Roth 50 and Over Catch up</b>	\$6,000 \$1,000	\$5,500 \$1,000
<b>HSA - Maximum Contribution</b>		
Self	\$3,500	\$3,450
Family	\$7,000	\$6,900
55 and Over Catch Up	\$1,000	\$1,000

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## PAYROLL TAX RATES

**FICA:** The maximum taxable wage base for FICA (Social Security) is \$132,900.

	Medicare	FICA
Employer/Employee	1.45%	6.2%
Self-Employed	2.9%	12.4%

**Medicare:** The Medicare Part A (Hospital Insurance) payroll tax rate is 1.45% for both employers and employees and 2.9% for the self-employed. There is no cap on the amount of earned income subject to the Medicare tax. There is an additional 0.9% Medicare tax on income over \$200,000 for Singles and Head of Household, \$250,000 for Married Filing Jointly, and \$125,000 for Married Filing Separately.

**SUTA:** A state unemployment compensation tax is imposed on all Vermont employers for the first \$17,600 of wages paid in 2019 to each covered employee. The rate is specific to each employer.

**FUTA:** A federal unemployment compensation tax rate of 6.0% is imposed on employers for the first \$7,000 of wages paid in 2019 to each covered employee. However, because of credits allowed to employers for their contributions to state unemployment funds, the effective FUTA rate paid by Vermont employers will be only 0.6%. Quarterly deposits are required if the tax exceeds \$500.

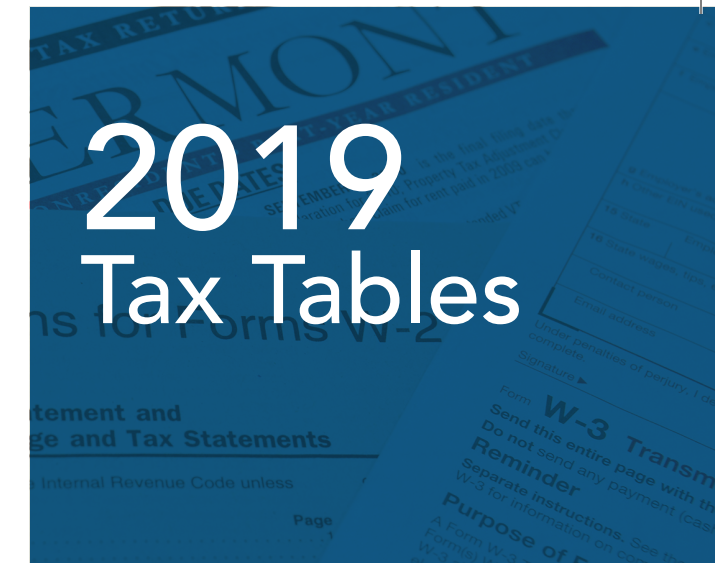
## ESTIMATED TAX PAYMENTS

(These due dates apply to a calendar-year taxpayer)

Installment	Due Date
Last 2018 Payment	January 15, 2019
First 2019 Payment	April 15, 2019
Second 2019 Payment	June 17, 2019
Third 2019 Payment	September 16, 2019
Fourth 2019 Payment	January 15, 2020

### Exceptions to Underpayment Penalties

To avoid penalties for underpaying estimated taxes, individual taxpayers must pay in through withholding and estimated taxes at least the lesser of (1) 100% of the 2018 tax liability, (2) 90% of the 2019 tax liability or (3) based on an annualized income installment method. For taxpayers with adjusted gross income in excess of \$150,000 (\$75,000 for married filing separately) the prior year safe harbor percentage is 110% for federal estimates.



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