

2024 Federal Tax Guide

INCOME

If Taxable Income is Between:	The Tax Due is:
Unmarried Individuals	
Not over \$11,600	10% of taxable income
Over \$11,600 to \$47,150	\$1,160 + 12% of the excess over \$11,600
Over \$47,150 to \$100,525	\$5,426 + 22% of the excess over \$47,150
Over \$100,525 to \$191,950	\$17,168.50 + 24% of the excess over \$100,525
Over \$191,950 to \$243,725	\$39,110.50 + 32% of the excess over \$191,950
Over \$243,725 to \$609,350	\$55,678.50 + 35% of the excess over \$243,725
Over \$609,350	\$183,647.25 + 37% of the excess over \$609,350
Married Filing Jointly and Surviving Spouses	
Not over \$23,200	10% of taxable income
Over \$23,200 to \$94,300	\$2,320 + 12% of the excess over \$23,200
Over \$94,300 to \$201,050	\$10,852 + 22% of the excess over \$94,300
Over \$201,050 to \$383,900	\$34,337 + 24% of the excess over \$201,050
Over \$383,900 to \$487,450	\$78,221 + 32% of the excess over \$383,900
Over \$487,450 to \$731,200	\$111,357 + 35% of the excess over \$487,450
Over \$731,200	\$196,669.50 + 37% of the excess over \$731,200
Heads of Household	
Not over \$16,550	10% of taxable income
Over \$16,550 to \$63,100	\$1,655 + 12% of the excess over \$16,550
Over \$63,100 to \$100,500	\$7,241 + 22% of the excess over \$63,100
Over \$100,500 to \$191,950	\$15,469 + 24% of the excess over \$100,500
Over \$191,950 to \$243,700	\$37,417 + 32% of the excess over \$191,950
Over \$243,700 to \$609,350	\$53,977 + 35% of the excess over \$243,700
Over \$609,350	\$181,954.50 + 37% of the excess over \$609,350
Married Filing Separately	
Not over \$11,600	10% of taxable income
Over \$11,600 to \$47,150	\$1,160 + 12% of the excess over \$11,600
Over \$47,150 to \$100,525	\$5,426 + 22% of the excess over \$47,150
Over \$100,525 to \$191,950	\$17,168.50 + 24% of the excess over \$100,525
Over \$191,950 to \$243,725	\$39,110.50 + 32% of the excess over \$191,950
Over \$243,725 to \$365,600	\$55,678.50 + 35% of the excess over \$243,725
Over \$365,600	\$93,334.75 + 37% of the excess over \$365,600

Additional 3.8% Net Investment Income Tax (NIIT), including but not limited to, interest, dividends, capital gains, rent, and royalties for Individuals over \$200,000 or Married/Joint over \$250,000. Additional .9% applies to earned income over same amounts. -Affordable Care Act and Medicare.

Estates and Trusts

Not over \$3,100	10% of taxable income
Over \$3,100 to \$11,150	\$310 + 24% of the excess over \$3,100
Over \$11,150 to \$15,200	\$2,242 + 35% of the excess over \$11,150
Over \$15,200	\$3,659.50 + 37% of the excess over \$15,200

Estates & Trusts over top tax bracket \$15,200 in 2024) also pay 3.8% NIIT on undistributed NII.

ESTATES & TRUSTS

Annual Exclusion

Exclusions	Amount
Individual	\$18,000
Non-Citizen Spouse	\$185,000

Annual exclusion requires a "present interest" to the donee. This includes gifts made outright, and certain trusts, like minor's trusts, simple trusts, and trusts with Crummey withdrawal powers.

Gift, Estate, and Generation Skipping Exemptions & Rates

Year	Basic Exclusion Amount	Maximum Rate
2011	5,000,000	35%
2012	5,120,000	35%
2013	5,250,000	40%
2014	5,340,000	40%
2015	5,430,000	40%
2016	5,450,000	40%
2017	5,490,000	40%
2018	11,180,000	40%
2019	11,400,000	40%
2020	11,580,000	40%
2021	11,700,000	40%
2022	12,060,000	40%
2023	12,920,000	40%
2024	13,610,000	40%

Basic/Applicable Exclusion/Portability

The Basic Exclusion Amount (BEA) is what an individual can pass gift/estate tax free. Applicable Exclusion Amount is the BEA plus any Deceased Spousal Unused Exclusion (DSUE), often referred to as 'portability'. DSUE applies for GIFT and ESTATE, but not GSTT. Portability is elected by timely filing the estate tax return.

Generation-Skipping Transfer Tax (GSTT)

GSTT is imposed on gifts or bequests to persons two or more generations below the transferor ("skip persons") upon the occurrence of one of three events: "direct skip," "taxable termination," or "taxable distribution." GSTT is in addition to gift or estate tax. The GSTT exemption is equal to the BEA.



Cannon is recognized as one of the leading professional development firms. We were born of this industry and have spent more than half a century consulting and educating individuals and organizations.

To learn more, call Cannon at 706-353-3346 or visit www.cannonfinancial.com

OTHER INCOME ISSUES

Standard Deductions

Filing Status	Amount
Unmarried Individuals	\$14,600
Married / Joint	\$29,200
Married / Separate	\$14,600
Head of Household	\$21,900
Dependent	\$1,300 or \$450 + earned income

Additional Deduction

• Blind or over 65 (Single or head of household)	\$1,950
• Blind or over 65 (All other filing statuses)	\$1,550

Exemptions / Exclusions

Exemption or Exclusion	Amount
Individual Personal Exemption and Grantor Trusts	0
Estates	\$600
Simple Trusts (required to distribute all income)	\$300
Complex Trusts (may accumulate income)	\$100

Kiddie Tax

Unearned income for children under age 19, or full-time students under age 24, is as follows:

Income	Tax
First \$1,300	Tax Free
Next \$1,300	Child's Rate
Over \$2,600	Parent's Marginal Rate

Alternative Minimum Tax (AMT) Exemptions

Filing Status	Tax
Unmarried Individuals	\$85,700
Married Filing Jointly & Surviving Spouses	\$133,300
Married Filing Separately	\$66,650
Estates and Trusts	\$29,900

The information appearing in this pamphlet is provided for general educational and guidance purposes only. While information is obtained from sources deemed to be reliable, accuracy cannot be assured. Such information is not intended to provide tax, business, investment or legal advice to any individual or entity.

Provided free of charge for educational use by Cannon Financial Institute, Inc. Please visit our Internet site for additional useful financial information.

www.cannonfinancial.com

Cannon Financial Institute

Cannon is recognized as one of the leading professional development firms. We were born of this industry and have spent more than half a century consulting and educating individuals and organizations.

Schools

Learn at one of our six locations spread throughout the continental U.S. or anywhere you are, via our LiveOnline™ virtual classroom or recorded sessions. Whether in person or online, Cannon courses are not your typical lecture hall experience. Our instructors are coaches, our curriculum is contextual, and our web-based offerings are as expansive as your need for knowledge.

Enterprise Training

Many institutions work with Cannon on an enterprise level. On your terms and at your location, customized instruction can be as brief as a one-hour keynote address or as extensive as a multi-year change management initiative. We partner with you to create and deploy a professional development experience that is tailored to your specific goals and objectives.

eLearning

Cannon has built an impressive library of online courses to complement its classroom experience in critical areas of study. Get all the benefits of Cannon's content anytime and anywhere you're connected to the Internet.

Audio Programs

As the financial industry evolves, you can rely on Cannon's digital audio programs for insight on prevalent issues. You will be able to learn a great deal while managing your valuable time. Cannon offers the following titles:

- **Growing Your Business™ Digital Audio Series**
- **Concepts and Analyses of Trusts and Estate Planning™ Digital Audio Series**
- **13 Wealth Management Issues™ Digital Audio Series**

Publications

Cannon's publications serve as navigation tools throughout the ever-changing financial services industry. Professionals devoted to continual learning will value these publications as Cannon equips them to better serve their clients. These publications include the following titles:

- **Cannon Concepts for Professionals**
- **Performance Coaching**
- **Tools & Techniques of Estate Planning**
- **Tools & Techniques of Investment Planning**
- **Tools & Techniques of Employee Benefit and Retirement Planning**
- **Tools & Techniques of Trust Planning**
- **Principles of Estate Planning**
- **Corporate Trust Answer Book**
- **The Advisor's Guide to the DOL Fiduciary Rule**
- **Affluent for Life**

Teleconferences

Cannon's Estate Planning Teleconference Series is a convenient way to stay fresh and connected to the latest issues and strategies facing the Estate Planning industry. Each month, several thousand professionals use the teleconference to earn CE credits, as well as take the opportunity to invite Centers of Influence to maximize relationships.

TAX CUTS AND JOBS ACT

Standard Deduction generally doubles to \$14,600 Single \$29,200 Married filing jointly

Personal exemptions suspended for individuals, not for estates and trusts IRC 642(b)

Miscellaneous itemized deductions suspended. Trusts & estates cannot deduct investment fees and expenses, unreimbursed business expenses, etc. The 2% limit does not apply to administration expenses incurred solely because property is in an estate or trust, so trustee fees are still deductible. IRC 67(e)

State and Local Tax (SALT) deduction (e.g. sales tax, income tax, and property tax) capped at \$10,000

Repealed the Affordable Care Act Individual Mandate in 2019

Long-term Capital Gains and Qualified Dividends

Single	Married/Joint	Estates and Trusts	Rate
Up to \$47,025	Up to \$94,050	Up to \$3,150	0
\$47,025 to \$518,900	\$94,050 to \$583,750	\$3,150 - \$15,450	15%
Over \$518,900	Over \$583,750	Over \$15,450	20%

Primary residence sale capital gain exemption remains \$250,000 Single, \$500,000 Married

Mortgage Interest deduction on new acquisition indebtedness and/or Home Equity Line used to buy, build, or substantially improve primary and/or second homes combined capped at \$750,000

529 plans include K-12 up to \$10,000/year, and \$15,000/year may move to a 529 ABL account (may be subject to State Medicare clawback at death)

Charitable deductions percentage of AGI limit on cash donations to public charity increased to 60% of AGI through 2025 and Pease limits used to phase-out deductions of high-income taxpayers were eliminated

Qualified Charitable Distributions from IRAs allowed over age 70 ½ up to \$105,000 annually

Unreimbursed Medical Expenses exceeding 7.5% of AGI are deductible

Alimony is not deductible by payor, nor taxable to recipient for divorce decrees issued after 12/31/18

SECURE Act Tax Proposed Regulations

Retirement Accounts must, generally be distributed within 10 years after death of the participant if there is a "designated beneficiary" (DB). Distributions must be made during the 10-year period "at least as rapidly" (ALAR) as before if the participant-decedent was over RMD age. For non-designated beneficiaries (non-DB), the same rules apply but with a 5 year maximum term, and exceptions are permitted for Eligible Designated Beneficiaries (EDB) for life expectancy distributions to spouse, person not more than 10 years younger, disabled or chronically ill person, and for minors to age 31.

Trusts are tested by determining the beneficiaries, using the definitions above for the countable beneficiaries and then whether the trust is a "see-through trust" and if so, whether it is a Conduit trust (passes through all receipts from retirement plans) or an Accumulation trust (Not a Conduit). The regulations are being revised to provide better guidance as to which beneficiaries are countable and RMDs are waived for 2021 - 2022 as this further guidance is produced.

Roth accounts likewise must follow these post death of the participant distribution rules.

RETIREMENT

Government Benefits

Social Security or Medicare	2023	2024
Cost of Living Adjustment	8.70%	3.20%
Social Security Wage Base (OASDI only)	\$160,200	\$168,600
Social Security Tax Rate	6.20%	6.20%
Medicare Tax Rate up to \$200,000	1.45%	1.45%
Medicare Tax Rate over \$200,000 add .9%	2.35%	2.35%

Retirement Plans Limits

Internal Revenue Code (IRC) limits on benefits and contributions for retirement plans. IRC also limits the amount of compensation considered to compute benefits and contributions. Limits are adjusted for cost-of-living increases.

Type or Limit	2023	2024
Employee Deferral Limit to 401(k), 403(b) and 457 plans	\$22,500	\$23,000
• 401(k), 403(b) and 457 Catch-up Contribution, age 50+	\$7,500	\$7,500
Defined Benefit plan Dollar Limit	\$265,000	\$275,000
Defined Contribution plan Dollar Limit	\$66,000	\$69,000
Compensation Limit	\$330,000	\$345,000
SIMPLE Retirement Accounts	\$15,500	\$16,000
• SIMPLE Catch-up Contribution, age 50+	\$3,500	\$3,500
IRA Contribution Limit	\$6,500	\$7,000
• IRA Catch-up Contribution, age 50+	\$1,000	\$1,000
HSA annual contribution limit – Single Coverage	\$3,850	\$4,150
HSA annual contribution limit – Family Coverage	\$7,750	\$8,300



CANNON
FINANCIAL INSTITUTE

Phone 706-353-3346

Fax 706-353-3994

www.cannonfinancial.com

To learn more, call Cannon at 706-353-3346
or visit www.cannonfinancial.com

CFI
1961