



CARDINAL ADVISORS

2026 Income Tax Increase

In our video entitled "2026 Income Tax Increase" Hans and Tom use these charts to discuss tax rates.

		2024 INCOME TAX		2017 INCOME TAX		
S.S.		Married/Joint	Single	Married/Joint	Single	INCOME
<input type="checkbox"/>	10%	Ø - 23,200	Ø - 11,600	10%	Ø - 18,650	Ø - 9,325
	12%	23,201 - 94,300	11,601 - 47,150	15%	18,651 - 75,900	9,326 - 37,950
MED	22%	94,301 - 201,050	47,151 - 100,525	25%	75,901 - 153,100	37,951 - 91,900
<input type="checkbox"/>	24%	201,051 - 383,900	100,526 - 191,950	28%	153,101 - 233,350	91,901 - 191,650
	32%	383,901 - 487,450	191,151 - 243,725	33%	233,351 - 416,700	191,651 - 416,700
LTC	35%	487,451 - 731,200	243,726 - 609,350	35%	416,701 - 470,700	416,701 - 418,400
<input type="checkbox"/>	37%	731,201 +	609,351 +	39.6%	470,701 +	418,401 +
		2024 ESTATE TAX		2017 ESTATE TAX		
		\$13,610,000 - Exemption		\$5,490,000 - Exemption		
		40% - Rate		45% - Rate		
401K/ IRA		- TAX CUTS AND JOBS ACT - Passed in 2017				
<input type="checkbox"/>		- Effective 1/1/2018				
		- Sunsets 12/31/2025				
		- ACT OF CONGRESS TO STOP THE INCREASE				
						TAXES

The information and opinions contained herein are provided by third parties and have been obtained from sources believed to be reliable, however, we make no representation as to its completeness or accuracy. The information is not intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation. Content is provided for informational purposes only and is not a solicitation to buy or sell any products mentioned.

Information provided is not intended as tax or legal advice and should not be relied on as such. You are encouraged to seek tax or legal advice from an independent professional.

Membership to Ed Slott's Master Elite IRA Advisor Group™ was granted in November of 2012 for Hans Scheil and in October of 2022 for Thomas Griffith. Ed Slott's Master Elite IRA Advisor Group is solely an indication that the financial advisor has attended training provided by Ed Slott and Company, maintained an Elite IRA Advisor Group™ membership for two or more years, passed bi-annual examinations on material covered at conferences and in webinars and met other membership requirements and does not constitute an endorsement of any kind. Ed Slott's Elite IRA Advisor Group™ members pay a fee for the educational programs that allow them to be included in the Ed Slott's Elite IRA Advisor Group™. Membership does not guarantee investment success.

June 2024

2024 Tax Planning

Taxable Income Brackets for 2024 Ordinary Income Tax Rates

Marginal Tax Rate	Married Filing Joint	Single
10%	\$0 – \$23,200	\$0 – \$11,600
12%	\$23,201 – \$94,300	\$11,601 – \$47,150
22%	\$94,301 – \$201,050	\$47,151 – \$100,525
24%	\$201,051 – \$383,900	\$100,526 – \$191,950
32%	\$383,901 – \$487,450	\$191,951 – \$243,725
35%	\$487,451 – \$731,200	\$243,726 – \$609,350
37%*	Over \$731,200	Over \$609,350

* The top rate is effectively 40.8% for those subject to the 3.8% Medicare surtax on net investment income (those with MAGI over the thresholds of \$250,000 joint filers/\$200,000 single filers).

2024 Trust Tax Rates

Ordinary Income Tax		Capital Gain Rates	
10%	\$0 - \$3,100	0%	\$0 - \$3,150
24%	\$3,101 - \$11,150	15%	\$3,151 - \$15,450
35%	\$11,151 - \$15,200	20%	Over \$15,450
37%	Over \$15,200		

Trust Tax Rates – Distributions from inherited IRAs that exceed **\$15,200** and are made to and retained in discretionary trusts will be subject to the top 37% rate. After the SECURE Act, inherited IRA funds will have to be paid out to most of these trusts under the 10-year rule, accelerating trust taxes. Roth conversions during the IRA owner's life become more valuable if the IRA beneficiary is a trust.

Qualified Business Income (QBI) Deduction

20% Deduction Phase-Out Ranges

\$383,900 - \$483,900 - Married Joint
 \$191,950 - \$241,950 - Single

Taxable Income Brackets for 2024 Long Term Capital Gains and Qualified Dividends Tax

Long Term Capital Gains Rate	Married Filing Joint	Single
0%	\$0 – \$94,050	\$0 – \$47,025
15%*	\$94,051 – \$583,750	\$47,026 – \$518,900
20%**	Over \$583,750	Over \$518,900

*The 15% rate is effectively 18.8% for those subject to the 3.8% Medicare surtax on net investment income.

**The top rate is effectively 23.8% for those subject to the 3.8% Medicare surtax on net investment income.

2024 Transfer Taxes

Transfer Tax	Exemption*	Maximum Rate
Estate, Gift, GST Tax	\$13,610,000	40%

*The estate and gift exemptions are portable. The unused amount can be transferred to a surviving spouse. The GST exemption is NOT portable.

Annual Gift Tax Exclusion \$18,000

Standard Deductions

Married-Joint	\$29,200
Single	\$14,600
Head of Household	\$21,900
Extra Standard Deduction for Age 65 or Blind	
\$1,550 (married-joint)	
\$1,950 (single)	

Qualified Charitable Distributions

Available only to IRA owners and IRA beneficiaries who are 70½ or older. The annual QCD limit for 2024 is \$105,000 per IRA owner, **not** per IRA account. For 2024, the limit for a QCD to a split interest entity is \$53,000. QCDs are more valuable due to the larger number of taxpayers that are using the increased standard deduction.

Roth Conversion Planning Ideas

Roth conversions are permanent and work best for those who believe they will be subject to higher marginal tax rates in the future. Roth conversions are not all or nothing. Consider a series of smaller annual conversions over time to spread out the income tax.

Timing Roth conversions for maximum tax efficiency:

Convert before RMDs begin. RMDs cannot be converted, so no conversion can be done until the RMD is withdrawn.

Avoid the impact of Roth conversions on Medicare IRMAA charges for Parts B and D based on income. Since Medicare has a 2-year lookback provision, consider conversions before age 63.

If a spouse died during the year, consider a Roth conversion for the surviving spouse since this may be the last year to take advantage of married-joint tax return rates. Include the conversion income on the final joint tax return.

2017 Marginal Tax Brackets

Your marginal tax bracket determines how much of the earnings from savings and investments you get to keep after taxes. Below are the tax rate schedules for 2017:

Individual Tax Rate Schedules for 2017

Marginal Tax Bracket Rate	Single Taxable Income	Married Filing Jointly Taxable Income
10%	\$0 to \$9,325	\$0 to \$18,650
15%	\$9,326 to \$37,950	\$18,651 to \$75,900
25%	\$37,951 to \$91,900	\$75,901 to \$153,100
28%	\$90,901 to \$191,650	\$153,101 to \$233,350
33%	\$191,651 to \$416,700	\$233,351 to \$416,700
35%	\$416,701 to \$418,400	\$416,701 to \$470,700
39.6%	\$418,401 and higher	\$470,701 and higher

A History of U.S. Tax Rates

TOP FEDERAL INCOME TAX RATE BY YEAR

1913	7%	1936	79%	1959	91%	1982	50%	2005	35%
1914	7%	1937	79%	1960	91%	1983	50%	2006	35%
1915	7%	1938	79%	1961	91%	1984	50%	2007	35%
1916	15%	1939	79%	1962	91%	1985	50%	2008	35%
1917	67%	1940	79%	1963	91%	1986	50%	2009	35%
1918	77%	1941	81%	1964	77%	1987	38.5%	2010	35%
1919	73%	1942	88%	1965	70%	1988	28%	2011	35%
1920	73%	1943	88%	1966	70%	1989	28%	2012	35%
1921	73%	1944	94%	1967	70%	1990	28%	2013	39.6%
1922	58%	1945	94%	1968	70%	1991	31%	2014	39.6%
1923	58%	1946	91%	1969	70%	1992	31%	2015	39.6%
1924	46%	1947	91%	1970	70%	1993	39.6%	2016	39.6%
1925	25%	1948	91%	1971	70%	1994	39.6%	2017	39.6%
1926	25%	1949	91%	1972	70%	1995	39.6%	2018	37%
1927	25%	1950	91%	1973	70%	1996	39.6%	2019	37%
1928	25%	1951	91%	1974	70%	1997	39.6%	2020	37%
1929	25%	1952	92%	1975	70%	1998	39.6%	2021	37%
1930	25%	1953	92%	1976	70%	1999	39.6%	2022	37%
1931	25%	1954	91%	1977	70%	2000	39.6%	2023	37%
1932	63%	1955	91%	1978	70%	2001	39.1%	2024	37%
1933	63%	1956	91%	1979	70%	2002	38.6%		
1934	63%	1957	91%	1980	70%	2003	35%		
1935	63%	1958	91%	1981	70%	2004	35%		

A M E R I C A ' S I R A E X P E R T S

100 Merrick Road, Suite 200E, Rockville Centre, New York 11570
 800-663-1340 toll-free • 516-536-8282 telephone
 516-536-8852 fax • info@irahelp.com

Copyright © 2024 by Ed Slott and Company, LLC

For More IRA Expertise

website: irahelp.com
blog: irahelp.com/slottreport
X: @theslottreport
facebook: /AmericasIRAExperts