

PERSONAL EXEMPTION AND STANDARD DEDUCTIONS

Personal and Dependency Exemptions:

	Federal	Vermont
Individuals	N/A	\$4,500

Standard Deduction:

	A	B
Married filing jointly and surviving spouses	\$27,700	\$12,700
Single Taxpayers	\$13,850	\$6,350
Head of Households	\$20,800	\$9,500
Married filing separately	\$13,850	\$6,350

Dependents who file \$1,250
(Could be up to \$12,950 if they have earned income)

- A.** Taxpayers who are blind or age 65 and over receive an additional amount of \$1,500 if married (whether filing jointly or separately), or \$1,850 if single or head of household.
- B.** Taxpayers who are blind or age 65 and over receive an additional amount of \$1,050. In addition, there is a special calculation for medical deductions for Vermont taxpayers.

ESTATE AND TRUST TAX RATES

FEDERAL

Range of taxable income	Tax	of amount over
\$0 - \$2,900	10%	\$0
2,900 - 10,550	\$290 + 24%	2,900
10,551 - 14,450	2,126 + 35%	10,550
Over 14,450	3,491 + 37%	14,450

VERMONT (ESTIMATED)

Range of taxable income	Tax	of amount over
\$0 - \$2,750	3.35%	\$0
2,751 - 6,450	\$92 + 6.6%	2,750
6,451 - 9,850	336 + 7.6%	6,450
Over 9,850	595 + 8.75%	9,850

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 - 22,000	10%	\$0
22,001 - 89,450	\$2,200 + 12%	22,000
89,451 - 190,750	10,294 + 22%	89,450
190,751 - 364,200	32,580 + 24%	190,750
364,201 - 462,500	74,208 + 32%	364,200
462,501 - 693,750	105,664 + 35%	462,500
Over 693,750	186,601.50 + 37%	693,750

Married Persons Filing Separately

Range of taxable income	Tax	of amount over
\$0 - 11,000	10%	\$0
11,001 - 44,725	\$1,100 + 12%	11,000
44,726 - 95,375	5,147 + 22%	44,725
95,376 - 182,100	16,290 + 24%	95,375
182,101 - 231,250	37,104 + 32%	182,100
231,251 - 346,875	52,832 + 35%	231,250
Over 346,875	93,300.75 + 37%	346,875

Single Taxpayers

Range of taxable income	Tax	of amount over
\$0 - 11,000	10%	\$0
11,001 - 44,725	\$1,100 + 12%	11,000
44,726 - 95,375	5,147 + 22%	44,725
95,376 - 182,100	16,290 + 24%	95,375
182,101 - 231,250	37,104 + 32%	182,100
231,251 - 578,125	52,832 + 35%	231,250
Over 578,125	174,238.30 + 37%	578,125

Head of Household

Range of taxable income	Tax	of amount over
\$0 - 15,700	10%	\$0
15,701 - 59,850	\$1,570 + 12%	15,700
59,851 - 95,350	6,868 + 22%	59,850
95,351 - 182,100	14,678 + 24%	95,350
182,101 - 231,250	35,498 + 32%	182,100
231,251 - 578,100	51,226 + 35%	231,250
Over 578,100	172,623.50 + 37%	578,100

INDIVIDUAL TAX RATES VERMONT (ESTIMATED)

Married Persons Filing Jointly and Surviving Spouses

Range of taxable income	Tax	of amount over
\$0 - 68,400	3.35%	\$0
68,401 - 165,350	\$2,291 + 6.6%	68,400
165,351 - 251,950	8,690 + 7.6%	165,350
Over 251,950	15,272 + 8.75%	251,950

Married Filing Separately

Range of taxable income	Tax	of amount over
\$0 - 34,200	3.35%	\$0
34,201 - 82,675	\$1,146 + 6.6%	34,200
82,676 - 125,975	4,345 + 7.6%	82,675
Over 125,975	7,636 + 8.75%	125,975

Single Taxpayers

Range of taxable income	Tax	of amount over
\$0 - 40,950	3.35%	\$0
40,951 - 99,200	\$1,372 + 6.6%	40,950
99,201 - 206,950	5,216 + 7.6%	99,200
Over 206,950	13,405 + 8.75%	206,950

Head of Household

Range of taxable income	Tax	of amount over
\$0 - 54,850	3.35%	\$0
54,851 - 141,700	\$1,837 + 6.6%	54,850
141,701 - 229,450	7,570 + 7.6%	141,700
Over 229,450	14,239 + 8.75%	229,450

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%	Married filing joint	Taxable Income Below	\$89,250
	Married filing separately		44,625
	Single		44,625
	Head of household		59,750
15%	Estates and trusts	Taxable Income Below	3,000
	Married filing joint		553,850
	Married filing separately		276,900
	Single		492,300
20%	Head of household	Taxable Income Below	523,050
	Estates and trusts		14,650
	Capital gains in excess of the income amounts for the 15% rate		

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.

VERMONT

Vermont has a general exclusion for capital gains of up to \$5000. Taxpayers may also exclude 40% of their adjusted net capital gains from the sale of selected types of assets held more than 3 years. However, effective July 1, 2019, the 40% capital gain exclusion is limited to \$350,000. This means the benefit of this exclusion phases out with capital gains in excess of \$875,000.

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
\$500,000 or less	\$100
\$500,001 - \$1,000,000	\$500
\$1,000,001 - \$5,000,000	\$2,000
\$5,000,001 - \$300,000,000	\$6,000
\$300,000,001 and over	\$100,000

INCOME PHASEOUT RANGES¹ FILING STATUS

	Married-Joint	Head of Household	Single	Married-Separate
Personal Exemption	Exemptions repealed			
Itemized Deduction	Itemized deductions no longer phased out			
Child Tax Credit²	\$400,000 - 440,000	\$200,000 - 240,000	\$200,000 - 240,000	\$200,000 - 240,000
Education Loan Interest Deduction	\$155,000 - 185,000	\$75,000 - 90,000	\$75,000 - 90,000	N/A ³
Roth IRA	\$218,000 - 228,000	\$138,000 - 153,000	\$138,000 - 153,000	\$0 ⁴ - 10,000
Traditional IRA w/ Pension	\$116,000 - 136,000	\$73,000 - 83,000	\$73,000 - 83,000	\$0 ⁴ - 10,000
Traditional IRA Spouse w/ Pension	\$218,000 - 228,000	N/A	N/A	\$0 ⁴ - 10,000
American Opportunity Credit	\$160,000 - 180,000	\$80,000 - 90,000	\$80,000 - 90,000	N/A ³
Lifetime Learning Credit	\$160,000 - 180,000	\$80,000 - 90,000	\$80,000 - 90,000	N/A ³
Alternative Minimum Tax (AMT) Exemption	\$126,500	\$81,300	\$81,300	\$63,250 ⁵

¹ Income refers to adjusted gross income with some modifications

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

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

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

⁵ Subject to phaseout based upon AMT income

CONSUMER PRICE INDEX (CPI-U)

Year	Average 12-Month Increase
2020	1.4%
2021	7.0%
2022	6.5%

OTHER IMPORTANT TAX INFORMATION

	2023	2022
Unearned Income w/o Kiddie Tax	\$2,500	\$2,300
Child Tax Credit	\$2,000	\$2,000
Family Tax Credit (Non-child dependent)	\$500	\$500
Auto Standard Mileage Allowances		
Business	65.5¢	58.5¢/62.5¢
Charity Work	14¢	14¢
Medical/Moving	22¢	18¢
Section 179 Deduction	\$1,160,000	\$1,080,000
Earning Ceiling for Social Security		
Under full retirement age	\$1,770/mo	\$1,630/mo
Year retirement age reached	\$4,710/mo	\$4,330/mo
Above full retirement age	Unlimited	Unlimited
Estate Tax Exclusion		
Equivalent—Federal	\$12,920,000	\$12,060,000
Equivalent—Vermont	\$5,000,000	\$5,000,000
Federal Estate Tax (Above Exemption Amount)	up to 40%	up to 40%
Vermont Estate Tax (Above Exemption Amount)	up to 16%	up to 16%
Vermont Charitable Tax Credit	5% up to \$20,000	5% up to \$20,000
Annual Gift Exclusion	\$17,000	\$16,000
Lifetime Gift Exclusion	\$12,920,000	\$12,060,000
Max Compensation Qualified Plans	\$330,000	\$305,000
Max Contribution Defined Contribution Plan		
50 and Over Catch up	\$66,000 / \$7,500	\$61,000 / \$6,500
Max Deferral 401(k) / 403(b)		
50 and Over Catch up	\$22,500 / \$7,500	\$20,500 / \$6,500
Max Deferral SIMPLE		
50 and Over Catch up	\$15,500 / \$3,500	\$14,000 / \$3,000
IRA, Traditional and Roth		
50 and Over Catch up	\$6,500 / \$1,000	\$6,000 / \$1,000
HSA - Maximum Contribution		
Self	\$3,850	\$3,650
Family	\$7,750	\$7,300
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 \$160,200.

	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 \$15,500 of wages paid in 2023 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 2023 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 2022 Payment	January 17, 2023
First 2023 Payment	April 18, 2023
Second 2023 Payment	June 15, 2023
Third 2023 Payment	September 15, 2023
Fourth 2023 Payment	January 15, 2024

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 2022 tax liability, (2) 90% of the 2023 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.

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


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2023 Tax Tables


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