

# FAMILY LAW TAX FACTS AND SUPPORT REFERENCE GUIDE

## RATE SCHEDULES

### 2017 TAX RATE SCHEDULE

MFJ OR QW TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 18,651	\$ 1,865	15%
\$ 75,901	\$ 10,452	25%
\$ 153,101	\$ 29,752	28%
\$ 233,351	\$ 52,222	33%
\$ 416,701	\$ 112,728	35%
\$ 470,701	\$ 131,628	39.6%

  

SINGLE TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 9,325	\$ 932	15%
\$ 37,951	\$ 5,226	25%
\$ 91,901	\$ 18,713	28%
\$ 191,651	\$ 46,643	33%
\$ 416,701	\$ 120,910	35%
\$ 418,401	\$ 121,505	39.6%

  

HEAD OF HOUSEHOLD TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 13,351	\$ 1,335	15%
\$ 50,801	\$ 6,952	25%
\$ 131,201	\$ 27,052	28%
\$ 212,501	\$ 49,816	33%
\$ 416,701	\$ 117,203	35%
\$ 444,551	\$ 126,950	39.6%

  

MARRIED FILING SEPARATELY TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 9,326	\$ 932	15%
\$ 37,951	\$ 5,226	25%
\$ 76,551	\$ 14,876	28%
\$ 116,676	\$ 26,111	33%
\$ 208,351	\$ 56,364	35%
\$ 235,351	\$ 65,814	39.6%

### 2016 TAX RATE SCHEDULE

MFJ OR QW TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 18,550	\$ 1,855	15%
\$ 75,300	\$ 10,368	25%
\$ 151,900	\$ 29,518	28%
\$ 231,450	\$ 51,792	33%
\$ 413,350	\$ 111,819	35%
\$ 466,950	\$ 130,579	39.6%

  

SINGLE TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 9,275	\$ 928	15%
\$ 37,650	\$ 5,184	25%
\$ 91,150	\$ 18,559	28%
\$ 190,150	\$ 46,279	33%
\$ 413,350	\$ 119,935	35%
\$ 415,050	\$ 120,530	39.6%

  

HEAD OF HOUSEHOLD TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 13,250	\$ 1,325	15%
\$ 50,400	\$ 6,898	25%
\$ 130,150	\$ 26,835	28%
\$ 210,800	\$ 49,417	33%
\$ 413,350	\$ 116,259	35%
\$ 441,000	\$ 125,936	39.6%

  

MARRIED FILING SEPARATELY TAXABLE INCOME		
Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 9,275	\$ 928	15%
\$ 37,650	\$ 5,184	25%
\$ 75,950	\$ 14,759	28%
\$ 115,725	\$ 25,896	33%
\$ 206,675	\$ 55,909	35%
\$ 233,475	\$ 65,289	39.6%

## SOCIAL SECURITY

### SOCIAL SECURITY HIGHLIGHTS (2016 - 2017)

	2016	2017
<b>Maximum amount a person can earn and still receive full benefits:</b>		
Under full retirement age.....	\$15,720	\$16,920
Full retirement age.....	No Limit <sup>5</sup>	No Limit <sup>5</sup>
<b>Maximum earnings subject to:</b>		
Social Security tax.....	\$118,500	\$127,200
Medicare tax.....	No Limit	No Limit
<b>Rate of tax: <sup>1,2</sup></b>		
Social Security tax.....	12.4% <sup>1</sup>	12.4% <sup>1</sup>
Medicare tax.....	2.9%	2.9%
Additional Medicare tax.....	0.9% <sup>7</sup>	0.9% <sup>7</sup>
<b>Maximum tax paid by:</b>		
EMPLOYEE { Social Security tax.....	\$7,347	\$7,886
Medicare.....	No Limit	No Limit
SELF-EMPLOYED <sup>3</sup> { Social Security tax.....	\$14,694	\$15,772
Medicare.....	No Limit	No Limit
<b>Amount needed to earn one quarter of coverage:</b>	\$1,260	\$1,300
<b>Medicare premium:</b>		
Part A <sup>4</sup> .....	\$411/month	\$413/month
Part B.....	\$104.90/month <sup>6</sup>	\$109/month <sup>6</sup>
<b>Hospital deductible</b>	\$1,288	\$1,316

1. Employees pay 50% (6.2% + 1.45% thereafter). | 2. Self-employed individuals pay 100% (12.4% + 2.9% thereafter). | 3. Does not reflect special deductions for self-employed individuals. | 4. Cost for those who are not eligible for Social Security benefits, but who still want Medicare coverage. May be adjusted based on work credit/time of enrollment. | 5. Limit still applies for months prior to attaining full retirement age. | 6. Higher-income participants will be charged an additional surcharge based on most recent tax return information provided to IRS. | 7. Applies to tax payers with wages more than \$200,000 for single filers and \$250,000 for joint filers.

## NET INVESTMENT TAX

**Medicare Surtax of 3.8% on net investment income or modified adjusted gross income over \$200,000 for single filers and \$250,000 for joint filers.**

## EARNED INCOME CREDIT

### 2017 EARNED INCOME CREDIT

# Qualifying Children	Earned Income/AGI Less Than:		Maximum Credit
	SINGLE	MFJ	
0	\$ 15,010	\$ 20,600	\$ 510
1	\$ 39,617	\$ 45,207	\$ 3,400
2	\$ 45,007	\$ 50,597	\$ 5,616
3	\$ 48,340	\$ 53,930	\$ 6,318

\*Must complete Schedule EIC. | Note: Investment income limit = \$3,450

## ESTATE & GIFT TAX EXCLUSION

Year	Exclusion	Credit
2016	\$5,450,000	\$2,125,800
2017	\$5,490,000	\$2,141,800

Annual gift tax exclusion is \$14,000 for 2016 and 2017

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## TAX RULES FOR ALIMONY

1. The payments must be in cash.
2. The payments must be made to or for the benefit of a spouse or former spouse.
3. The payments must be made under a written decree of divorce or separate maintenance.
4. Any modifications to payments must be in writing.
5. The instrument does not designate the payment as excludable/nondeductible.
6. Spouses who are divorced or legally separated cannot be members of the same household.
7. The payor has no liability to make payments after the payee's death or substitute additional property.
8. The payments may not be fixed as child support.
9. The payments are "front-loaded" if in the first two calendar years or three post separation years, the payments deviate downwards by more than \$15,000 per calendar year.

## 10 FACTORS IN DETERMINING MAINTENANCE (WI STATUTES 767.56)

1. Length of marriage.
2. Age and physical and emotional health of the parties.
3. Division of property.
4. Educational level of each party at the time of marriage and at the time the action is commenced.
5. Earning capacity of the party seeking maintenance.
6. Feasibility that the party seeking maintenance can become self-supporting at a standard of living reasonably comparable to that enjoyed during the marriage.
7. Tax consequences to each party.
8. Any mutual agreement made by the parties before or during the marriage.
9. The contribution by one party to the education, training or increased earning power of the other.
10. Such other factors as the court may in each individual case determine to be relevant.

## WI GUIDELINE CHILD SUPPORT TABLES (DCF 150.03 AND DCF 150.04)

### GUIDELINE % FOR MONTHLY INCOME OF

# of Children	\$0 - \$7,000	\$7,000 - \$12,500	over \$12,500
1	17.00%	14.00%	10.00%
2	25.00%	20.00%	15.00%
3	29.00%	23.00%	17.00%
4	31.00%	25.00%	19.00%
5 or more	34.00%	27.00%	20.00%

## CHILDREN/DEPENDENCY EXEMPTIONS

Custodial parent is entitled to the dependency exemption. Parents, together or separately, must provide at least one-half of the child's support. Two exceptions to the general rule that the custodial parent is entitled to the dependency exemption.

1. A multiple support agreement is in place — §152(d)(3)
2. The custodial parent relinquishes the rights to the exemption (either annually or permanently IRS Form 8332) — §152(e)(2)(A).

	Age Requirement	Qualifying Child Relationship	Residence Support		Citizenship
Dependency Exemption	<19, or 24 if full time student	Son or daughter	Child resides with the taxpayer for > one-half of the year.	Qualifying child cannot provide more than one-half of their own support for the year.	A citizen or resident of the U.S.
Child Tax Credit	<17	Stepson/stepdaughter	Exceptions include temporary absences due to education, illness, vacation or military service.		A citizen or resident of a country contiguous to the U.S.
Dependent Care Credit	<13	Descendants of sons, daughters, stepsons, or stepdaughters	Child must have the same principal place of abode in the U.S. as the taxpayer for > one-half of the year	Support test does not apply for EIC	
Tuition Credits or Deductions	<19, or 24 if full time student	Individuals whom are legally adopted or a foster child placed with the taxpayer by an authorized agency or by court decree, order or judgment.			
Earned Income Credit	<19, or 24 if full time student				

Information is current as of 1/25/2017

## SVA Valuation & Litigation Team

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### Locations

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