



Comprehensive

TIMOTHY J. RUPERT

THOMAS R. POPE

KENNETH E. ANDERSON

PEARSON'S

Federal Taxation 2017

D. Dale Bandy • N. Allen Ford • Anna C. Fowler • Robert L. Gardner
Richard J. Joseph • David S. Hulse • LeAnn Luna • Charlene Henderson
Jared Moore • William J. Moser • Michael S. Schadewald

2016

TAX RATE SCHEDULES

INDIVIDUAL TAXPAYERS

Single [§1(c)]:

| If taxable income is: | The tax is: |
|---|--|
| Not over \$9,275 | 10% of taxable income. |
| Over \$9,275 but not over \$37,650 | \$927.50, plus 15% of the excess over \$9,275. |
| Over \$37,650 but not over \$91,150 | \$5,183.75, plus 25% of the excess over \$37,650. |
| Over \$91,150 but not over \$190,150 | \$18,558.75, plus 28% of the excess over \$91,150. |
| Over \$190,150 but not over \$413,350 | \$46,278.75, plus 33% of the excess over \$190,150. |
| Over \$413,350 but not over \$415,050 | \$119,934.75, plus 35% of the excess over \$413,350. |
| Over \$415,050 | \$120,529.75, plus 39.6% of the excess over \$415,050. |

Head of Household [§1(b)]:

| If taxable income is: | The tax is: |
|---|--|
| Not over \$13,250 | 10% of taxable income. |
| Over \$13,250 but not over \$50,400 | \$1,325.00, plus 15% of the excess over \$13,250. |
| Over \$50,400 but not over \$130,150 | \$6,897.50, plus 25% of the excess over \$50,400. |
| Over \$130,150 but not over \$210,800 | \$26,835.00, plus 28% of the excess over \$130,150. |
| Over \$210,800 but not over \$413,350 | \$49,417.00, plus 33% of the excess over \$210,800. |
| Over \$413,350 but not over \$441,000 | \$116,258.50, plus 35% of the excess over \$413,350. |
| Over \$441,000 | \$125,936.00, plus 39.6% of the excess over \$441,000. |

Married, Filing Joint and Surviving Spouse [§1(a)]:

| If taxable income is: | The tax is: |
|---|--|
| Not over \$18,550 | 10% of taxable income. |
| Over \$18,550 but not over \$75,300 | \$1,855.00, plus 15% of the excess over \$18,550. |
| Over \$75,300 but not over \$151,900 | \$10,367.50, plus 25% of the excess over \$75,300. |
| Over \$151,900 but not over \$231,450 | \$29,517.50, plus 28% of the excess over \$151,900. |
| Over \$231,450 but not over \$413,350 | \$51,791.50, plus 33% of the excess over \$231,450. |
| Over \$413,350 but not over \$466,950 | \$111,818.50, plus 35% of the excess over \$413,350. |
| Over \$466,950 | \$130,578.50, plus 39.6% of the excess over \$466,950. |

Married, Filing Separate [§1(d)]:

| If taxable income is: | The tax is: |
|---|---|
| Not over \$9,275 | 10% of taxable income. |
| Over \$9,275 but not over \$37,650 | \$927.50, plus 15% of the excess over \$9,275. |
| Over \$37,650 but not over \$75,950 | \$5,183.75, plus 25% of the excess over \$37,650. |
| Over \$75,950 but not over \$115,725 | \$14,758.75, plus 28% of the excess over \$75,950. |
| Over \$115,725 but not over \$206,675 | \$25,895.75, plus 33% of the excess over \$115,725. |
| Over \$206,675 but not over \$233,475 | \$55,909.25, plus 35% of the excess over \$206,675. |
| Over \$233,475 | \$65,289.25, plus 39.6% of the excess over \$233,475. |

Capital Gains and Dividends

Capital gains and losses are assigned to baskets. Five possible tax rates will apply to most capital gains and losses:

- Ordinary income tax rates (up to 39.6% in 2016) for gains on assets held one year or less
- 28% rate on collectibles gains and includible Sec. 1202 gains
- 20% rate on gains on assets held for more than one year and qualified dividends (for taxpayers whose regular tax bracket is 39.6%)
- 15% rate on gains on assets held for more than one year and qualified dividends (for taxpayers whose regular tax bracket is higher than 15% and less than 39.6%)
- 0% rate on gains on assets held for more than one year and qualified dividends (for taxpayers whose regular tax bracket is not higher than 15%)

Note: The net investment income of higher income taxpayers (modified AGI greater than \$200,000 for single and \$250,000 for married filing jointly) also may be subject to an additional tax of 3.8%. Net investment income includes dividends and capital gains, along with other types of investment income.

Social Security Tax—2016

| Category | Rate | Dollar Limit |
|-----------|-------|--|
| OASDI | 6.2% | \$118,500 |
| Medicare* | 1.45% | First \$200,000 of wages (\$250,000 for joint returns) |
| | 2.35% | Wages greater than \$200,000 (\$250,000 for joint returns) |

*Only the employee is required to pay the additional Medicare tax on wages above \$200,000 (\$250,000 for joint returns). The employer pays Medicare tax of 1.45% on all wages.

Self-Employment Tax—2016

| Category | Rate | Dollar Limit |
|----------|-------|---|
| OASDI | 12.4% | \$118,500 |
| Medicare | 2.9% | First \$200,000 of self-employment income (\$250,000 combined self-employment income for joint returns) |
| | 3.8% | Self-employment income greater than \$200,000 (\$250,000 for joint returns) |

Alternative Minimum Tax—2016

| If AMTI minus the exemption amount is: | | The tax is: | |
|--|---------------|-----------------|---------------------|
| Over— | But Not Over— | | Of the Amount Over— |
| \$0 | \$186,300* | 26% | \$0 |
| \$186,300* | | \$48,438* + 28% | \$186,300 |

*\$93,150 and \$24,219 for married taxpayers filing separately.

AMT exemption amounts (before phase-outs and other adjustments):

| | |
|--|----------|
| Unmarried individuals (other than surviving spouses and heads of households) | \$53,900 |
| Married individuals filing joint returns and surviving spouses | 83,800 |
| Married individuals filing separate returns | 41,900 |

STANDARD DEDUCTION

| Filing Status | |
|--|----------|
| Married individuals filing joint returns and surviving spouses | \$12,600 |
| Heads of households | 9,300 |
| Unmarried individuals (other than surviving spouses and heads of households) | 6,300 |
| Married individuals filing separate returns | 6,300 |
| Additional standard deduction for the aged and the blind | |
| Individual who is married and surviving spouses | 1,250* |
| Individual who is unmarried and not a surviving spouse | 1,550* |
| Taxpayer claimed as dependent on another taxpayer's return: Greater of (1) earned income plus \$350, or (2) \$1,050. | |

*These amounts are \$2,500 and \$3,100, respectively, for a taxpayer who is both aged and blind.

PERSONAL AND DEPENDENCY EXEMPTION AND PHASE-OUTS

Personal and dependency exemption \$ 4,050

Phase-outs for high income taxpayers:

Personal and dependency exemptions are reduced by 2% for each \$2,500 increment (or part of increment) for AGI above the threshold amount.

Itemized deductions are reduced by 3% for each dollar of AGI above the threshold amounts (taxpayers cannot lose more than 80% of their allowable itemized deductions).

For both provisions, the AGI threshold amounts are:

| | |
|--|-----------|
| Married individuals filing joint returns and surviving spouses | \$311,300 |
| Heads of households | 285,350 |
| Unmarried individuals (other than surviving spouses and heads of households) | 259,400 |
| Married individuals filing separate returns | 155,650 |

2016

TAX RATE SCHEDULES

ESTATES AND TRUSTS [§1 (e)]:

| | |
|--|--|
| If taxable income is: | The tax is: |
| Not over \$2,550 | 15% of taxable income. |
| Over \$2,550 but not over \$5,950 | \$382.50 plus 25% of the excess over \$2,550. |
| Over \$5,950 but not over \$9,050 | \$1,232.50 plus 28% of the excess over \$5,950. |
| Over \$9,050 but not over \$12,400 | \$2,100.50 plus 33% of the excess over \$9,050. |
| Over \$12,400 | \$3,206.00 plus 39.6% of the excess over \$12,400. |

CORPORATIONS

| If Taxable Income Is: | | The Tax Is: | |
|-----------------------|---------------|---------------------|------------|
| Over— | But Not Over— | Of the Amount Over— | |
| \$ 0 | \$ 50,000 | 15% | \$ 0 |
| 50,000 | 75,000 | \$ 7,500 + 25% | 50,000 |
| 75,000 | 100,000 | 13,750 + 34% | 75,000 |
| 100,000 | 335,000 | 22,250 + 39% | 100,000 |
| 335,000 | 10,000,000 | 113,900 + 34% | 335,000 |
| 10,000,000 | 15,000,000 | 3,400,000 + 35% | 10,000,000 |
| 15,000,000 | 18,333,333 | 5,150,000 + 38% | 15,000,000 |
| 18,333,333 | | 6,416,667 + 35% | 18,333,333 |

UNIFIED CREDIT AMOUNT FOR ESTATE AND GIFT TAX

| Year of Gift/Year of Death | Amount of Credit | Basic Exclusion Amount (Exemption Equivalent) |
|-----------------------------|---|--|
| January through June, 1977 | \$ 30,000 (6,000) ^b | \$ 120,666 (30,000) ^b |
| July through December, 1977 | 30,000 | 120,666 |
| 1978 | 34,000 | 134,000 |
| 1979 | 38,000 | 147,333 |
| 1980 | 42,500 | 161,563 |
| 1981 | 47,000 | 175,625 |
| 1982 | 62,800 | 225,000 |
| 1983 | 79,300 | 275,000 |
| 1984 | 96,300 | 325,000 |
| 1985 | 121,800 | 400,000 |
| 1986 | 155,800 | 500,000 |
| 1987 through 1997 | 192,800 | 600,000 |
| 1998 | 202,050 | 625,000 |
| 1999 | 211,300 | 650,000 |
| 2000 and 2001 | 220,550 | 675,000 |
| 2002 and 2003 | 345,800 | 1,000,000 |
| 2004 and 2005 | 555,800 (345,800) ^a | 1,500,000 (1,000,000) ^a |
| 2006, 2007, and 2008 | 780,800 (345,800) ^a | 2,000,000 (1,000,000) ^a |
| 2009 | 1,455,800 (345,800) ^a | 3,500,000 (1,000,000) ^a |
| 2010 | 1,730,800 ^b (330,800) ^a | 5,000,000 ^b (1,000,000) ^a |
| 2011 | 1,730,800 | 5,000,000 |
| 2012 | 1,772,800 | 5,120,000 |
| 2013 | 2,045,800 | 5,250,000 |
| 2014 | 2,081,800 | 5,340,000 |
| 2015 | 2,117,800 | 5,430,000 |
| 2016 | 2,125,800 | 5,450,000 |

^a The numbers in parentheses represent the credit and exemption equivalent amounts for the gift tax.

^b This amount applied if the executor opted to have the estate subject to the estate tax and FMV basis rule in 2010.

UNIFIED TRANSFER TAX RATES

For Transfers Made in 1984 Through 2001:*

| If the Amount with Respect to Which the Tentative Tax to Be Computed Is: | The Tentative Tax Is: |
|---|---|
| Not over \$10,000 | 18% of such amount. |
| Over \$10,000 but not over \$20,000 | \$1,800, plus 20% of the excess of such amount over \$10,000. |
| Over \$20,000 but not over \$40,000 | \$3,800, plus 22% of the excess of such amount over \$20,000. |
| Over \$40,000 but not over \$60,000 | \$8,200, plus 24% of the excess of such amount over \$40,000. |
| Over \$60,000 but not over \$80,000 | \$13,000, plus 26% of the excess of such amount over \$60,000. |
| Over \$80,000 but not over \$100,000 | \$18,200, plus 28% of the excess of such amount over \$80,000. |
| Over \$100,000 but not over \$150,000 | \$23,800, plus 30% of the excess of such amount over \$100,000. |
| Over \$150,000 but not over \$250,000 | \$38,800, plus 32% of the excess of such amount over \$150,000. |
| Over \$250,000 but not over \$500,000 | \$70,800, plus 34% of the excess of such amount over \$250,000. |
| Over \$500,000 but not over \$750,000 | \$155,800, plus 37% of the excess of such amount over \$500,000. |
| Over \$750,000 but not over \$1,000,000 | \$248,300, plus 39% of the excess of such amount over \$750,000. |
| Over \$1,000,000 but not over \$1,250,000 | \$345,800, plus 41% of the excess of such amount over \$1,000,000. |
| Over \$1,250,000 but not over \$1,500,000 | \$448,300, plus 43% of the excess of such amount over \$1,250,000. |
| Over \$1,500,000 but not over \$2,000,000 | \$555,800, plus 45% of the excess of such amount over \$1,500,000. |
| Over \$2,000,000 but not over \$2,500,000 | \$780,800, plus 49% of the excess of such amount over \$2,000,000. |
| Over \$2,500,000 but not over \$3,000,000 | \$1,025,800, plus 53% of the excess of such amount over \$2,500,000. |
| Over \$3,000,000 | \$1,290,800, plus 55% of the excess of such amount over \$3,000,000. |

* For decedents dying after 2001 and gifts made after 2001, the maximum tax rates are as follows:

Note: The rates in the above schedule still apply to amounts less than the amounts in the second column of the below schedule.

| Year | If the Amount with Respect to Which the Tentative Tax to Be Computed Is: | The Tentative Tax Is: |
|----------------|---|--|
| 2002 | Over \$2,500,000 | \$1,025,800, plus 50% of the excess of such amount over \$2,500,000. |
| 2003 | Over \$2,000,000 | \$780,800, plus 49% of the excess of such amount over \$2,000,000. |
| 2004 | Over \$2,000,000 | \$780,800, plus 48% of the excess of such amount over \$2,000,000. |
| 2005 | Over \$2,000,000 | \$780,800, plus 47% of the excess of such amount over \$2,000,000. |
| 2006 | Over \$2,000,000 | \$780,800, plus 46% of the excess of such amount over \$2,000,000. |
| 2007–2009 | Over \$1,500,000 | \$555,800, plus 45% of the excess of such amount over \$1,500,000. |
| 2010 | Over \$500,000** | \$155,800, plus 35% of the excess of such amount over \$500,000.** |
| 2011–2012 | Over \$500,000 | \$155,800, plus 35% of the excess of such amount over \$500,000. |
| 2013 and after | Over \$1,000,000 | \$345,800, plus 40% of the excess of such amount over \$1,000,000. |

** Gift tax only unless the executor opted to have the estate subject to the estate tax and FMV basis rule in 2010.

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2017

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EDITORS

TIMOTHY J. RUPERT

Northeastern University

THOMAS R. POPE

University of Kentucky

KENNETH E. ANDERSON

University of Tennessee

CONTRIBUTING AUTHORS

D. DALE BANDY

University of Central Florida

N. ALLEN FORD

University of Kansas

ANNA C. FOWLER

University of Texas at Austin (Emeritus)

ROBERT L. GARDNER

Brigham Young University

RICHARD J. JOSEPH

Bryant University

DAVID S. HULSE

University of Kentucky

LEANN LUNA

University of Tennessee

CHARLENE HENDERSON

Mississippi State University

JARED MOORE

Oregon State University

WILLIAM J. MOSER

Miami University

MICHAEL S. SCHADEWALD

University of Wisconsin–Milwaukee

PEARSON

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Digital Studio Project Manager: Alana Coles
Digital Studio Project Manager: Robin Lazrus
Digital Content Team Lead: Noel Lotz
Digital Content Project Lead: Martha LaChance
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Integra Software Services
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Cover Art: Steven Frame/Shutterstock
Printer/Binder: Courier Kendallville
Cover Printer: Phoenix Color/Hagerstown

Photo credits: chapter openers dgrilla/Fotolia, Rabbit75_fot/Fotolia

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ABOUT THE EDITORS



TIMOTHY J. RUPERT

Timothy J. Rupert is a Professor and the Golemme Administrative Chair at the D'Amore-McKim School of Business at Northeastern University. He received his B.S. in Accounting and his Master of Taxation from the University of Akron. He also earned his Ph.D. from Penn State University. Professor Rupert's research has been published in such journals as *The Accounting Review*, *The Journal of the American Taxation Association*, *Behavioral Research in Accounting*, *Advances in Taxation*, *Applied Cognitive Psychology*, *Advances in Accounting Education*, and *Journal of Accounting Education*. He is the co-editor of *Advances in Accounting Education*. In 2010, he received the Outstanding Educator Award from the Massachusetts Society of CPAs. He also has received the University's Excellence in Teaching Award and the D'Amore-McKim School's Best Teacher of the Year award multiple times. He is active in the American Accounting Association and the American Taxation Association (ATA) and has served as president, vice president, and secretary of the ATA.



THOMAS R. POPE

Thomas R. Pope is the Ernst & Young Professor of Accounting at the University of Kentucky. He received a B.S. from the University of Louisville and an M.S. and D.B.A. in Business Administration from the University of Kentucky. He teaches international taxation, partnership and S corporation taxation, tax research and policy, and introductory taxation and has won outstanding teaching awards at the University, College, and School of Accountancy levels. He has published articles in *The Accounting Review*, the *Tax Adviser*, *Taxes*, *Tax Notes*, and a number of other journals. Professor Pope's extensive professional experience includes eight years with Big Four accounting firms. Five of those years were with Ernst & Whinney (now part of Ernst & Young), including two years with their National Tax Department in Washington, D.C. He subsequently held the position of Senior Manager in charge of the Tax Department in Lexington, Kentucky. Professor Pope also has been a leader and speaker at professional tax conferences all over the United States and is active as a tax consultant.



KENNETH E. ANDERSON

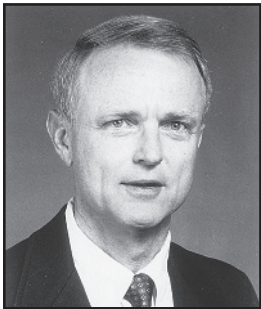
Kenneth E. Anderson is the Pugh CPAs Professor of Accounting at the University of Tennessee. He earned a B.B.A. from the University of Wisconsin-Milwaukee and subsequently attained the level of tax manager with Arthur Young (now part of Ernst & Young). He then earned a Ph.D. from Indiana University. He teaches corporate taxation, partnership taxation, and tax strategy. Professor Anderson also is the Director of the Master of Accountancy Program. He has published articles in *The Accounting Review*, *The Journal of the American Taxation Association*, *Advances in Taxation*, the *Journal of Accountancy*, the *Journal of Financial Service Professionals*, and a number of other journals.

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ABOUT THE AUTHORS



D. Dale Bandy is the Professor Emeritus in the School of Accounting at the University of Central Florida. He received a B.S. from the University of Tulsa, an M.B.A. from the University of Arkansas, and a Ph.D. from the University of Texas at Austin. He helped to establish the Master of Science in Taxation programs at the University of Central Florida and California State University, Fullerton, where he previously taught. In 1985, he was selected by the California Society of Certified Public Accountants as the Accounting Educator of the year. Professor Bandy has published 8 books and more than 30 articles in accounting and taxation. His articles have appeared in the *Journal of Taxation*, the *Journal of Accountancy*, *Advances in Taxation*, the *Tax Adviser*, *The CPA Journal*, *Management Accounting*, and a number of other journals.



N. Allen Ford is the Larry D. Homer/KPMG Peat Marwick Distinguished Teaching Professor of Professional Accounting at the University of Kansas. He received an undergraduate degree from Centenary College in Shreveport, Louisiana, and both the M.B.A. and Ph.D. in Business from the University of Arkansas. He has published over 40 articles related to taxation, financial accounting, and accounting education in journals such as *The Accounting Review*, *The Journal of the American Taxation Association*, and *The Journal of Taxation*. He served as president of the American Taxation Association in 1979–80. Professor Ford has received numerous teaching awards, at the college and university levels. In 1993, he received the Byron T. Shutz Award for Distinguished Teaching in Economics and Business. In 1996, he received the Ray M. Sommerfeld Outstanding Tax Educator Award, which is jointly sponsored by the American Taxation Association and Ernst & Young, and in 1998 he received the Kansas Society of CPAs Outstanding Education Award.



Anna C. Fowler is the John Arch White Professor Emeritus in the Department of Accounting at the University of Texas at Austin. She received her B.S. in accounting from the University of Alabama and her M.B.A. and Ph.D. from the University of Texas at Austin. Active in the American Taxation Association throughout her academic career, she served on the editorial board of its journal and held many positions, including president. She is a former member of the American Institute of CPA's Tax Executive Committee and a former chair of the AICPA's Regulation/Tax Subcommittee for the CPA exam. She has published a number of articles, most of which have dealt with estate planning or real estate transaction issues. In 2002, she received the Ray M. Sommerfeld Outstanding Educator Award, co-sponsored by the American Taxation Association and Ernst & Young.



Robert L. Gardner is the Robert J. Smith Professor of Accounting in the School of Accountancy at Brigham Young University (BYU). He received a B.S. and M.B.A. from the University of Utah and a Ph.D. from the University of Texas at Austin. He has authored or coauthored two books and over 25 articles in journals such as *The Tax Adviser*, *Journal of Corporate Taxation*, *Journal of Real Estate Taxation*, *Journal of Accounting Education*, *Journal of Taxation of S Corporations*, and the *International Tax Journal*. Professor Gardner has received several teaching awards. In 2001, he received the Outstanding Faculty Award in the Marriott School of Management at BYU. He has served on the Board of Trustees of the American Taxation Association and served as President of the ATA in 1999–2000.