

Federal tax rate brackets: Year 2018

The U.S. federal income tax system is progressive. This means that income is taxed in layers, with a higher tax rate applied to each layer. Below are the Tax Brackets for 2018 Taxable Income. Taxable Income is generally Adjusted Gross Income (AGI) less the standard or itemized deductions.

Tax Brackets for 2018: Individuals				
Marginal Rate	Single	Married Filing Joint	Head of Household	Married Filing Separate
10%	0-\$9,525	0 - \$19,050	0-\$13,600	0 - \$9,525
12%	\$9,526 - \$38,700	\$19,051 - \$77,400	\$13,601 - \$51,800	\$9,526 - \$38,700
22%	\$38,701 - \$82,500	\$77,401 - \$165,000	\$51,801 - \$82,500	\$38,701 - \$82,500
24%	\$82,501 - \$157,500	\$165,001 - \$315,000	\$82,501 - \$157,500	\$82,501 - \$157,500
32%	\$157,501 - \$200,000	\$315,001 - \$400,000	\$157,501 - \$200,000	\$157,501 - \$200,000
35%	\$200,001-\$500,000	\$400,001 - \$600,000	\$200,001 - \$500,000	\$200,001 - \$300,000
37%	Over \$500,000	Over \$600,000	Over \$500,000	Over \$300,000

Deductions and Exemptions 2018: Individuals	
Personal exemption	None
Standard deduction:	
Single	\$12,000
Married Filing Joint (MFJ)	\$24,000
Head of Household (HOH)	\$18,000
Married Filing Separate (MFS)	\$12,000
Dependent	The greater of \$1,050 or \$350 + dependent's earned income, up to a maximum of \$12,000.
Additional deduction:	
Married age 65 or older or blind	Standard deduction + \$1,300
Single (not a surviving spouse) age 65 or older or blind	Standard deduction + \$1,600

Tax Brackets for 2018: Income Tax Rates for Trusts and Estates	
Marginal Rate	Estates & Trusts
10%	0-\$2,550
24%	\$2,551-\$9,150
35%	\$9,151-\$12,500
37%	Over \$12,500

Capital Gains and Dividends

Short-term capital gains and non-qualified dividends for individuals, estates, and trusts are treated as ordinary income, and are taxed as such. This rate applies to gains on securities held (exactly) 1 year or less, and to short-term capital gain distributions reported by mutual funds.

After ordinary income is taxed, taxation continues for qualified income at lower, preferred rates. Long-term capital gains from sales and exchanges, long-term capital gain distributions from mutual funds and qualified dividends are taxed at the rate indicated until exceeding a particular breakpoint. After exceeding a breakpoint, the income is taxed at the next rate until it exceeds the next breakpoint, and so on.

Long-term Capital Gain & Qualified Dividend Brackets for 2018					
Marginal Rate	Single	Married Filing Joint	Head of Household	Married Filing Separate	Estates & Trusts
0%	0 - \$38,600	0 - \$77,200	0 - \$51,700	0 - \$38,600	0 - \$2,600
15%	\$38,601 - \$425,800	\$77,201 - \$479,000	\$51,701 - \$452,400	\$38,601 - \$239,500	\$2,601 - \$12,700
20%	\$425,801 and up	\$479,001 and up	\$452,401 and up	\$239,501 and up	\$12,701 and up

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