

ESTATE TAX RATE

YEAR	ESTATE EXEMPTION	% ON EXCESS OVER BASE
2023	\$12,920,000	40%
2024	\$13,610,000	40%

GIFT TAX

	2023	2024
Annual gifts per person	\$17,000	\$18,000
Annual joint gifts by spouses	\$34,000	\$36,000
Gift/Estate Exemption	\$12,920,000	\$13,610,000
Max Tax Rate on Taxable Gifts	40%	40%

HEALTH SAVINGS ACCOUNTS

	2023	2023	2024	2024
Minimum Policy Deductible	Single	Family	Single	Family
Max Deduct./ Contribution	\$3,850	\$7,750	\$4,150	\$8,300
Age 55-64 Catch-up Contribution	\$1,000	\$1,000	\$1,000	\$1,000
Minimum Policy Deductible	\$1,500	\$3,000	\$1,600	\$3,200

TAX CREDITS

CHILD TAX CREDIT	2023/2024
Children 0-16	\$2,000/child

Amounts fully subject to phaseouts above \$400,000 (joint) and above \$200,000 (single)

For 2023, the child tax credit refundable limit is \$1,600.

For 2024, the child tax credit refundable limit is \$1,700.

	2023/2024
The American Opportunity Credit*	\$2,500
The Lifetime Learning Credit** for each additional year of post-secondary education	\$2,000

*2023 & 2024 subject to phaseouts between \$160,000-\$180,000 (joint) and \$80,000-\$90,000 (single).

EQUIPMENT DEPRECIATION

	2023	2024
Section 179 Limit	\$1,160,000	\$1,220,000
Bonus Depreciation	80%	60%

RETIREMENT PLAN

CONTRIBUTION LIMITS

	2023	2024
Individual 401(k) Contributions	\$22,500	\$23,000
Age 50+ Catch-up	\$7,500	\$7,500

	2023	2024
Individual Simple Contributions	\$15,500	\$16,000
Age 50+ Catch-up	\$3,500	\$3,500

EMPLOYER QUALIFIED PLANS	2023	2024
Maximum compensation limit	\$330,000	\$345,000
Annual contribution limit for defined contribution plans	\$66,000	\$69,000

IRAS

2024 REGULAR IRA

NOT A PARTICIPANT IN ANOTHER PLAN

\$7,000 maximum deductible contribution; taxable distribution; deduction for participant and for non-working spouse.

ACTIVE PARTICIPANT IN ANOTHER PLAN

\$7,000 maximum deductible contribution; taxable distributions; subject to phaseouts between \$123,000-\$143,000 (joint) and \$77,000-\$87,000 (single).

NON-ACTIVE PARTICIPANT WHOSE SPOUSE IS ACTIVE PARTICIPANT

\$7,000 maximum deductible contribution; taxable distributions; subject to phaseouts between \$230,000-\$240,000 (joint).

AGE 50+ CATCH-UP

\$1,000 deductible contribution

2024 ROTH IRA

\$7,000 maximum nondeductible contribution; nontaxable distributions; subject to phaseouts between \$230,000-\$240,000(joint) and \$146,000-\$161,000 (single).

AGE 50+ CATCH-UP

\$1,000 nondeductible contribution.

2023 - 2024 TAX GUIDE

ESTIMATED TAX PAYMENTS

- Taxpayers are generally required to pay in through withholding or estimated tax payments the lesser of 100% (or 110% if AGI >\$150,000) of prior-year tax liability or 90% of current-year tax liability.
- 2024 estimated tax payments for individuals are due by:
April 15 / June 17 / September 16 / January 15, 2025

This publication reflects tax laws in effect as of 11/15/23. Due to the concise nature of this publication, no final conclusions should be drawn without further review and consultation with a professional.



Your Goals. Our Experts.

Rapid City • Spearfish • Gillette
KTLCPA

2023 INDIVIDUAL INCOME TAX RATES

MARRIED TAXPAYERS

Filing Jointly Or Surviving Spouses

BASE TAXABLE INCOME	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$22,000	\$2,200	12%
\$89,450	\$10,294	22%
\$190,750	\$32,580	24%
\$364,200	\$74,208	32%
\$462,500	\$105,664	35%
\$693,750	\$186,601.50	37%

SINGLE

BASE TAXABLE INCOME	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$11,000	\$1,100	12%
\$44,725	\$5,147	22%
\$95,375	\$16,290	24%
\$182,100	\$37,104	32%
\$231,250	\$52,832	35%
\$578,125	\$174,238.25	37%

HEAD OF HOUSEHOLD

BASE TAXABLE INCOME	TAX ON BASE	% ON EXCESS OVER BASE
\$0	\$0	10%
\$15,700	\$1,570	12%
\$59,850	\$6,868	22%
\$95,350	\$14,678	24%
\$182,100	\$35,498	32%
\$231,250	\$51,226	35%
\$578,100	\$172,623.50	37%

Also note: These income tax brackets are annually indexed to inflation. Taxable income is income after all deductions.

ADDITIONAL SURTAXES

(1) Taxpayers with AGI over \$250,000 (joint) and \$200,000 (single) are subject to an additional 3.8% surtax on lesser of: (1) Net Investment Income (interest, dividends, capital gains, rentals and passive in-come) or (2) excess of modified adjusted gross income over AGI floor.

(2) Taxpayers who earn more than \$250,000 (joint) and \$200,000 (single) are subject to an additional .9% Surtax on wages or self employment income above these thresholds.

2024 CAPITAL GAINS TAX RATES

LONG-TERM CAPITAL GAINS	0% TAX RATE	15% TAX RATE	20% TAX RATE
Married filing jointly	\$94,050	\$583,750	> \$583,750
Head of household	\$63,000	\$551,350	> \$551,350
Single	\$47,025	\$518,900	> \$518,900

Special rates apply to real estate depreciation recapture, collectibles and metals.

INDIVIDUALS

STANDARD DEDUCTIONS*

	2023	2024
Married filing jointly	\$27,700	\$29,200
Single	\$13,850	\$14,600
Head of household	\$20,800	\$21,900
Married filing separately	\$13,850	\$14,600
Additional blind or elderly		
Single	\$1,850	\$1,950
Married	\$1,500	\$1,550

Taxpayer claimed as dependent is the greater of \$1,250 or earned income plus \$400 in 2023, and the greater of \$1,300 or earned income plus \$450 in 2024.

*Generally deduct the greater of standard or itemized deductions.

SOCIAL SECURITY TAXES

EMPLOYER/EMPLOYEE	TAX RATE	WAGE BASE 2023	WAGE BASE 2024
FICA	6.20%	\$160,200	\$168,600
Medicare	1.45%	no limit	no limit
Total	7.65%		

SELF EMPLOYED	TAX RATE	WAGE BASE 2023	WAGE BASE 2024
FICA	12.40%	\$160,200	\$168,600
Medicare	2.90%	no limit	no limit
Total	15.30%		

QUARTER OF COVERAGE	2023	2024
	\$1,640	\$1,730

QUALIFIED BUSINESS INCOME DEDUCTION (QBI)

2023 QBI DEDUCTION 20%	2024 QBI DEDUCTION 20%
Subject to limitations over \$364,200 (joint) & \$182,100 (single)	Subject to limitations over \$383,900 (joint) & \$191,950 (single)

CORPORATE INCOME TAX

Flat Tax Rate	21%
Personal Service Corporations	21%

BUSINESS EXPENSES

BUSINESS TRAVEL MEALS

Per Diem Rates for Meals – Oct. 1, 2023 – Sept. 30, 2024

Low Cost Areas	\$64/day
High Cost Areas	\$74/day

STANDARD MILEAGE RATES

Jan – Dec

USE	2023	2024
Business	\$.655/mi.	\$.67/mi.
Charitable	\$.14/mi.	\$.14/mi.
Medical & Moving	\$.22/mi.	\$.21/mi.

BENEFITS

MAXIMUM ANNUAL EARNED INCOME LIMIT	2023	2024
Ages 62 up to full retirement age	\$21,240	\$22,320
Upon reaching full retirement age	No limit	No Limit

TAXABLE BENEFITS

Part of social security received is taxable if AGI, plus tax-exempt interest, plus half of social security received exceeds these base amounts:

	50% TAXABLE	85% TAXABLE
Married filing jointly	\$32,001 – 44,000	\$44,001+
Single/Head of household	\$25,001 – 34,000	\$34,001+
Married filing separately	\$0	\$0