Quickfinder®

1040
Quickfinder® Handbook
(2022 Tax Year)

Post-publication Updates

Instructions: This packet contains "marked up" changes to the pages in the *1040 Quickfinder® Handbook* that were affected by developments after the *Handbook* was published. To update your *Handbook*, you can make the same changes in your *Handbook* or print the revised page and paste over the original page.

2022 States Quick Reference

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State Individual Income Tax Quick Reference Chart (2022)

State	Website	Maximum Rate	Return Due Date[1]	Resident Tax Form Number	Accepts Federal Extension?	State Extension/ Payment Voucher
Alabama	**https://revenue.alabama.gov**	5.00%	April 15	40	No	40V[2]
Alaska	**https://tax.alaska.gov**	N/A—no individual income tax				
Arizona	**https://azdor.gov**	2.98	April 15	140	Yes	204[3]
Arkansas	**www.dfa.arkansas.gov**	4.90	April 15	AR1000F	Yes	AR1055-IT[4]/ AR1000ES[5]
California	**www.ftb.ca.gov**	12.30	April 15	540	No	3519[2]
Colorado	**https://tax.colorado.gov**	4.40	April 15	104	No	0158-I[2]
Connecticut	**https://portal.ct.gov/drs**	6.99	April 15	CT-1040	Yes	CT-1040EXT[3]
Delaware	**https://revenue.delaware.gov**	6.60	April 30	PIT-RES	No	PIT-EXT
District of Columbia	**https://otr.cfo.dc.gov**	10.75	April 15	D-40	No	FR-127
Florida	**https://floridarevenue.com/taxes**	N/A—no individual income tax				
Georgia	**https://dor.georgia.gov**	5.75	April 15	500	Yes	IT-303[4]/IT-560[5]
Hawaii	**https://tax.hawaii.gov**	11.00	April 20	N-11	No	N-101A[2]
Idaho	**https://tax.idaho.gov**	6.00	April 15	40	No	51[2]
Illinois	**www2.illinois.gov/rev/**	4.95	April 15	IL-1040	No	IL505-I[2]
Indiana	**https://in.gov/dor**	3.23	April 15	IT-40	Yes	IT-9[3]

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State Individual Income Tax Quick Reference Chart (2022) (Continued)

State	Website	Maximum Rate	Return Due Date[1]	Resident Tax Form Number	Accepts Federal Extension?	State Extension/ Payment Voucher
Iowa	**https://tax.iowa.gov**	8.53%	April 30	IA 1040	No	IA 1040V[2]
Kansas	**https://ksrevenue.gov**	5.70	April 15	K-40	Yes	K-40V[2]
Kentucky	**https://revenue.ky.gov**	5.00	April 15	740	Yes	740EXT[4]
Louisiana	**https://revenue.louisiana.gov/**	4.25	May 15	IT-540	No	R-2868V[5,9]
Maine	**https://maine.gov/revenue**	7.15	April 15	1040ME	No	1040EXT-ME[2]
Maryland	**https://marylandtaxes.gov**	5.75	April 15	502	Yes	PV[6]
Massachusetts	**https://mass.gov/orgs/ massachusetts-department-of-revenue**	12.00	April 15	1	No	M-4868[2]
Michigan	**https://michigan.gov/taxes**	4.25	April 15	MI-1040	Yes	4[2]
Minnesota	**https://revenue.state.mn.us**	9.85	April 15	M1	No	[9]
Mississippi	**https://dor.ms.gov**	5.00	April 15	80-105	Yes	80-106[2]
Missouri	**https://dor.mo.gov**	5.30	April 15	MO-1040	Yes	MO-60[3]
Montana	**https://mtrevenue.gov**	6.75	April 15	2	No	Form-IT[5, 7]
Nebraska	**https://revenue.nebraska.gov**	6.84	April 15	1040N	Yes	4868N[3]
Nevada	**https://tax.nv.gov**	N/A—no individual income tax				
New Hampshire	**https://revenue.nh.gov**	7.60	April 15	DP-10/1040-NH	No	DP-59-A[2], BT-EXT[2]
New Jersey	**https://state.nj.us/treasury/ taxation**	10.75	April 15	NJ-1040	Yes	NJ-630[3]
New Mexico	**https://tax.newmexico.gov**	5.90	April 15	PIT-1	Yes	RPD-41096[3]
New York	**https://tax.ny.gov**	10.90	April 15	IT-201	No	IT-370
North Carolina	**https://ncdor.gov**	4.99	April 15	D-400	Yes	D-410
North Dakota	**http://nd.gov/tax**	2.90	April 15	ND-1	Yes	101[4]/ND-1EXT[5]
Ohio	**https://tax.ohio.gov**	3.99	April 15	IT 1040	Yes	IT 40P[5]
Oklahoma	**https://oklahoma.gov/tax**	4.75	April 15	511	Yes	504-I[3]
Oregon	**https://oregon.gov/dor**	9.90	April 15	OR-40	Yes	40-V[3]
Pennsylvania	**https://revenue.pa.gov**	3.07	April 15	PA-40	Yes	REV-276[3]
Rhode Island	**www.tax.ri.gov**	5.99	April 15	RI-1040	Yes	RI-4868[3]
South Carolina	**https://dor.sc.gov**	7.00	April 15	SC1040	Yes	SC4868[3]
South Dakota	**https://dor.sd.gov**	N/A—no individual income tax				
Tennessee	**www.tn.gov/revenue**	N/A—no individual income tax				
Texas	**https://comptroller.texas.gov/**	N/A—no individual income tax				
Utah	**https://tax.utah.gov**	4.85	April 15	TC-40	No	TC-546[2]
Vermont	**https://tax.vermont.gov**	8.75	April 15	IN-111	Yes	IN-151
Virginia	**https://tax.virginia.gov**	5.75	May 1	760	No	760IP[2]
Washington	**https://dor.wa.gov**	N/A—no individual income tax[10]				
West Virginia	**https://revenue.wv.gov**	6.50	April 15	IT-140	Yes	Sch L[3]
Wisconsin	**https://revenue.wi.gov**	7.65	April 15	1	Yes	1-ES[8]
Wyoming	**http://revenue.wyo.gov**	N/A—no individual income tax				

[1] See *Return due date* on Page 2-3.
[2] File only if tax due. If no tax due, return is extended without any action by taxpayer.
[3] File if federal Form 4868 not filed or if tax due.
[4] File if federal Form 4868 not filed.
[5] Use to pay any tax due.
[6] File if Form 4868 not filed and tax is due. If Form 4868 not filed and no tax due, request extension online.
[7] Automatic extension granted if certain requirements met.
[8] Use to remit payment if tax due. If no federal 4868 filed, attach a statement to the return.
[9] Extension filed electronically.
[10] Effective January 1, 2022, Washington imposes a 7% excise tax on individuals with sales or exchanges of long-term capital assets. Only taxpayers owing capital gains tax are required to file a capital gains tax return. Taxpayers must have capital gains in excess of $250,000. See the *All States Quickfinder® Handbook* for more information.

General

Tab 2 is for reference purposes and is not intended to include all necessary information to prepare a state income tax return. Its purpose is to provide tax preparers with general information. More detailed information is available in the *All States Quickfinder® Handbook*. You can also use the phone numbers or website addresses provided here to obtain forms and instructions for a particular state.

Many states allow or require electronic filing of returns and/or extensions as well as electronic payment of taxes. Some states have a different due date for electronically filed returns, which is usually later than a paper filed return.

Return due date. The return due dates for filing returns shown in this tab are the statutory due dates. When the statutory due date falls on a weekend or holiday, many states extend the due date until the next working day.

Caution: Tax preparers should check the respective state's instructions to determine the return's exact due date when the statutory due date falls on a weekend or holiday. For federal tax, the 2022 Form 1040 is due on April 18, 2023.

The Quick Tax Method. Use the Quick Tax Method to calculate tax due. In the appropriate state section, find the taxpayer's taxable income bracket and multiply the taxpayer's state taxable income by the given tax rate. Next, subtract the "minus" amount to arrive at the tax due.

Example: Assume MFJ Alabama taxpayers with taxable income of $57,500.
$57,500 × 5.0% – $80 = $2,795 Tax

Alabama

Website: https://revenue.alabama.gov

Tax assistance: 334-242-1170

2022 Quick Tax Method—For Taxable Income of:										
Single, MFS, Head of Family	$	0 –	500	×	2%	minus	$	0.00	=	Tax
		501 –	3,000	×	4	minus		10.00	=	Tax
		3,001 and over		×	5	minus		40.00	=	Tax
MFJ	$	0 –	1,000	×	2%	minus	$	0.00	=	Tax
		1,001 –	6,000	×	4	minus		20.00	=	Tax
		6,001 and over		×	5	minus		80.00	=	Tax

Filing requirements. Residents must file if:

Filing status:	Gross income of at least:
Single	$ 4,500
Head of Family	8,200
MFJ	11,500
MFS	5,750

Part-year residents must file if:

Filing status:	Gross income of at least:
Single	$ 4,500 (while an Alabama resident)
Head of Family	8,200 (while an Alabama resident)
MFJ	11,500 (while an Alabama resident)
MFS	5,750 (while an Alabama resident)

Nonresidents must file if gross income is over the allowable prorated exemption. To calculate, multiply the full exemption amount of $3,000 for MFJ and Head of Family, or $1,500 for Single and MFS, by the Alabama percentage of adjusted total income.

Alabama form to file:
- Resident and part-year resident: Form 40 (Alabama Individual Income Tax Return). **Note:** Part-year residents who receive Alabama-source income while a nonresident may also be required to file Form 40NR.
- Nonresident: Form 40NR (Alabama Individual Income Tax Return).

Return due date: April 15

Allowable extension. Alabama allows an automatic six-month extension without written request. If additional tax is due, file Form 40V (Individual Income Tax Payment Voucher) by the original return due date.

Alaska

Website: https://tax.alaska.gov

Tax assistance: 907-269-6620

Filing requirements. The state of Alaska does not have an individual income tax.

Arizona

Website: https://azdor.gov

Tax assistance: 602-255-3381, 800-352-4090

2022 Quick Tax Method—For Taxable Income of:										
Single, MFS	$	0 –	28,653	×	2.55%	minus	$	0.00	=	Tax
		28,654 and over		×	2.98	minus		123.00	=	Tax
		~~55,616 –~~	~~166,843~~	~~×~~	~~4.17~~	~~minus~~		~~670.00~~	~~=~~	~~Tax~~
		~~166,844 –~~	~~250,000~~	~~×~~	~~4.50~~	~~minus~~		~~1,221.00~~	~~=~~	~~Tax~~
MFJ, HOH	$	0 –	57,305	×	2.55%	minus	$	0.00	=	Tax
		57,306 and over		×	2.98	minus		246.00	=	Tax
		~~111,230 –~~	~~333,684~~	~~×~~	~~4.17~~	~~minus~~		~~1,340.00~~	~~=~~	~~Tax~~
		~~333,685 –~~	~~500,000~~	~~×~~	~~4.50~~	~~minus~~		~~2,441.00~~	~~=~~	~~Tax~~

~~**Note:** 2022 amounts not available at time of publication. Amounts shown are for 2021.~~

Filing requirements. Residents, part-year, and nonresidents must file if:

Filing status is:	and gross income is at least:
Single, MFS	$ 12,950
MFJ	25,900
HOH	19,400

Arizona form to file:
- Resident: Form 140 (Resident Personal Income Tax Return).
- Part-year resident: Form 140PY (Part-Year Resident Personal Income Tax Return).
- Nonresident: Form 140NR (Nonresident Personal Income Tax Return).

Return due date: April 15

Extension form. Form 204 (Application for Filing Extension).

Allowable extension. Arizona allows up to a six-month extension if:
- Taxpayer files federal Form 4868 with the IRS *or*
- Taxpayer files Form 204.

Also use Form 204 to make a payment, if necessary.

Arkansas

Website: www.dfa.arkansas.gov

Tax assistance: 501-682-1100

2022 Quick Tax Method—For Taxable Income of:										
All Filing Statuses	$ —	–	5,099	×	0.0%	minus	$ 0.00	=	Tax
	5,100	–	10,299	×	2.0	minus	101.98	=	Tax
	10,300	–	14,699	×	3.0	minus	204.97	=	Tax
	14,700	–	24,299	×	3.4	minus	263.77	=	Tax
	24,300	–	87,000	×	4.9	minus	628.25	=	Tax
	For taxpayers with income greater than $87,000								
	$ —	–	4,400	×	2.0%	minus	$ 0.00	=	Tax
	4,401	–	8,800	×	4.0	minus	88.00	=	Tax
	8,801	and above		×	4.9	minus	167.20	=	Tax

Filing requirements. Residents must file if:

Marital status is:	Filing Status is:	Gross income of at least:
Single	Single	$ 13,447
	HOH with ≤ 1 dependent	19,118
	HOH with ≥ 2 dependents	22,790
Married	MFJ with ≤ 1 dependent	$ 22,676
	MFJ with ≥ 2 dependents	27,292
	MFS	8,870
Widowed in 2020 or 2021 and not remarried in 2022	QSS with ≤ 1 dependent	$ 19,118
	QSS with ≥ 2 dependents	22,790

Part-year residents must file if:

Filing status is:	Taxable income is at least:
All Filing Statuses	$1 (while an Arkansas resident)

Nonresidents must file if:

Filing status is:	Taxable income is at least:
All Filing Statuses	$1 of Arkansas-source income

Arkansas form to file:

- Resident: Form AR1000F (Arkansas Individual Income Tax Return).
- Part-year and nonresident: Form AR1000NR (Arkansas Individual Income Tax Return).

Return due date: April 15

Extension form. Form AR1055-IT (Request for Extension of Time for Filing Income Tax Returns).

Allowable extension:

- Arkansas allows an automatic seven-month extension if federal Form 4868 is filed *or*
- File Form AR1055-IT to request an extension (to November 15).

California

Website: www.ftb.ca.gov

Tax assistance: 800-852-5711

2022 Quick Tax Method—For Taxable Income of:[1]									
Single, Married/RDP[2] filing sep.	$ —	–	10,099	×	1.0%	minus	$ —	=	Tax
	10,100	–	23,942	×	2.0	minus	100.99	=	Tax
	23,943	–	37,788	×	4.0	minus	579.83	=	Tax
	37,789	–	52,455	×	6.0	minus	1,335.59	=	Tax
	52,456	–	66,295	×	8.0	minus	2,384.69	=	Tax
	66,296	–	338,639	×	9.3	minus	3,246.53	=	Tax
	338,640	–	406,364	×	10.3	minus	6,632.92	=	Tax
	406,365	–	677,275	×	11.3	minus	10,696.56	=	Tax
	677,276	and over		×	12.3	minus	17,469.31	=	Tax
Married/RDP filing jointly and QSS	$ —	–	20,198	×	1.0%	minus	$ —	=	Tax
	20,199	–	47,884	×	2.0	minus	201.98	=	Tax
	47,885	–	75,576	×	4.0	minus	1,159.66	=	Tax
	75,577	–	104,910	×	6.0	minus	2,671.18	=	Tax
	104,911	–	132,590	×	8.0	minus	4,769.38	=	Tax
	132,591	–	677,278	×	9.3	minus	6,493.05	=	Tax
	677,279	–	812,728	×	10.3	minus	13,265.83	=	Tax
	812,729	–	1,354,550	×	11.3	minus	21,393.11	=	Tax
	1,354,551	and over		×	12.3	minus	34,938.61	=	Tax
HOH	$ —	–	20,212	×	1.0%	minus	$ —	=	Tax
	20,213	–	47,887	×	2.0	minus	202.12	=	Tax
	47,888	–	61,730	×	4.0	minus	1,159.86	=	Tax
	61,731	–	76,397	×	6.0	minus	2,394.46	=	Tax
	76,398	–	90,240	×	8.0	minus	3,922.40	=	Tax
	90,241	–	460,547	×	9.3	minus	5,095.52	=	Tax
	460,548	–	552,658	×	10.3	minus	9,700.99	=	Tax
	552,659	–	921,095	×	11.3	minus	15,227.57	=	Tax
	921,096	and over		×	12.3	minus	24,438.52	=	Tax

[1] Does not include the mental health services tax (1% of taxable income over $1 million).
[2] Registered domestic partner.

Filing requirements. Residents, part-year, and nonresidents must file if:

Dependents:	0	1	2 or more
California gross income exceeds:			
Single or HOH under age 65	$20,913	$35,346	$46,171
Single or HOH age 65 or over	27,913	38,738	47,398
Married/RDP (joint or separate) both under 65	41,830	56,263	67,088
Married/RDP (joint or separate) one taxpayer age 65 or over	48,830	59,655	68,315
Married/RDP (joint or separate) both 65 or over	55,830	66,655	75,315
QSS under age 65	N/A	35,346	46,171
QSS 65 or older	N/A	38,738	47,398
or California AGI exceeds:			
Single or HOH under age 65	$16,730	$31,163	$41,988
Single or HOH age 65 or over	23,730	34,555	43,215
Married/RDP (joint or separate) both under 65	33,466	47,899	58,724
Married/RDP (joint or separate) one taxpayer age 65 or over	40,466	51,291	59,951
Married/RDP (joint or separate) both 65 or over	47,466	58,291	66,951
QSS under 65	N/A	31,163	41,988
QSS 65 or older	N/A	34,555	43,215

Dependent, any filing status, any age: Income exceeds standard deduction.

Taxpayers must also file if they owe any of the following:

- Tax on a lump-sum distribution.
- Tax on a qualified retirement plan, IRA or medical savings account.
- Tax for children under age 19 or full-time students under age 24 who have investment income greater than $2,300.
- Alternative minimum tax.
- Recapture taxes.
- Deferred tax on certain installment obligations.
- Tax on an accumulation distribution of a trust.

California form to file:

- Resident: Form 540 (California Resident Income Tax Return).

- Nonresident and part-year resident: Form 540NR (California Nonresident or Part-Year Resident Income Tax Return).

Return due date: April 15

Allowable extension. California allows an automatic six-month extension without written request. Tax due is required to be paid with Form FTB 3519 (Payment for Automatic Extension for Individuals) or online at **www.ftb.ca.gov/pay/index.html?WT.mc_id=akPayChoices** by the original return due date to avoid penalties and interest.

Colorado

Website: https://tax.colorado.gov
Tax assistance: 303-238-7378

2022 Tax Rate	
Income tax rate	4.40%

Filing requirements. Colorado income tax return must be filed if the taxpayer is a:

- Full-year resident of Colorado, part-year resident of Colorado with taxable income while a resident *or* nonresident of Colorado with Colorado-source income *and*
- Is required to file a federal income tax return *or* has a current-year Colorado income tax liability.

Colorado form to file:

- Resident, part-year, and nonresident: Form 104 (Colorado Individual Income Tax).
- Part-year and nonresident: Form 104PN (Part-Year Resident/Nonresident Tax Calculation Schedule)—attachment to Form 104.

Return due date: April 15

Allowable extension. Colorado allows an automatic six-month extension without written request. To make a payment, use Form DR 0158-I (Extension Payment Voucher for Colorado Individual Income Tax) or pay online at **www.colorado.gov/revenueonline**.

Connecticut

Website: https://portal.ct.gov/drs
Tax assistance: 860-297-5962, CT 800-382-9463

2022 Quick Tax Method—For Taxable Income of:									
Single, MFS	$ 0	–	10,000	×	3.00%[1]	minus	$ 0.00	=	Tax
	10,001	–	50,000	×	5.00	minus	200.00	=	Tax
	50,001	–	100,000	×	5.50	minus	450.00	=	Tax
	100,001	–	200,000[2]	×	6.00	minus	950.00	=	Tax
	200,001	–	250,000	×	6.50	minus	1,950.00	=	Tax
	250,001	–	500,000	×	6.90	minus	2,950.00	=	Tax
	500,001	and over		×	6.99	minus	3,400.00	=	Tax
MFJ, QSS	$ 0	–	20,000	×	3.00%[1]	minus	$ 0.00	=	Tax
	20,001	–	100,000	×	5.00	minus	400.00	=	Tax
	100,001	–	200,000	×	5.50	minus	900.00	=	Tax
	200,001	–	400,000[2]	×	6.00	minus	1,900.00	=	Tax
	400,001	–	500,000	×	6.50	minus	3,900.00	=	Tax
	500,001	–	1,000,000	×	6.90	minus	5,900.00	=	Tax
	1,000,001	and over		×	6.99	minus	6,800.00	=	Tax
HOH	$ 0	–	16,000	×	3.00%[1]	minus	$ 0.00	=	Tax
	16,001	–	80,000	×	5.00	minus	320.00	=	Tax
	80,001	–	160,000	×	5.50	minus	720.00	=	Tax
	160,001	–	320,000[2]	×	6.00	minus	1,520.00	=	Tax
	320,001	–	400,000	×	6.50	minus	3,120.00	=	Tax
	400,001	–	800,000	×	6.90	minus	4,720.00	=	Tax
	800,001	and over		×	6.99	minus	5,440.00	=	Tax

[1] The 3% rate is phased out and amount is taxed at 5% for taxpayers with CT AGI > $56,500 Single, $50,250 MFS, $78,500 HOH and $100,500 MFJ/QSS.

[2] Additional tax of up to $3,150 Single/MFS, $4,920 HOH and $6,300 MFJ/QSS for taxpayers with CT AGI in excess of $200,000 Single/MFS, $320,000 HOH and $400,000 MFJ/QSS.

Filing requirements. Residents must file if they:

- Have Connecticut income taxes withheld,
- Made estimated or extension tax payment to Connecticut,
- Meet the gross income test (see below),
- Have a federal alternative minimum tax liability or
- Claim the Connecticut earned income tax credit.

Filing status:	Gross income exceeds:
Single	$ 15,000
Filing Separately	12,000
HOH	19,000
Filing Jointly or QSS	24,000

Part-year residents and nonresidents must file if they meet the gross income test and have any Connecticut-source income, have Connecticut withholding or estimated payments or had a federal AMT liability.

Connecticut form to file:

- Resident: Form CT-1040 (Connecticut Resident Income Tax Return).
- Part-year and nonresident: Form CT-1040NR/PY (Connecticut Nonresident and Part-Year Resident Income Tax Return).

Return due date: April 15

Allowable extension. Connecticut allows an automatic six-month extension to file if (1) no additional tax due and a federal extension request filed with IRS or (2) the taxpayer pays his expected Connecticut income tax due using a credit care on or before the due date. If additional tax is due and paid with the extension request (or no federal extension was filed), file Form CT-1040 EXT (Application for Extension of Time to File Connecticut Income Tax Return for Individuals).

Delaware

Website: https://revenue.delaware.gov
Tax assistance: 302-577-8200

2022 Quick Tax Method—For Taxable Income of:									
All Filing Statuses	$ 0	–	2,000	×	0.00%	minus	$ 0.00	=	Tax
	2,001	–	5,000	×	2.20	minus	44.00	=	Tax
	5,001	–	10,000	×	3.90	minus	129.00	=	Tax
	10,001	–	20,000	×	4.80	minus	219.00	=	Tax
	20,001	–	25,000	×	5.20	minus	299.00	=	Tax
	25,001	–	60,000	×	5.55	minus	387.50	=	Tax
	60,001	and over		×	6.60	minus	1,017.51	=	Tax

Filing requirements. Residents must file if:

Filing status:	Age:	Delaware AGI exceeds:
Single, MFS, HOH, CU[1] filing separate	Under 60	$ 9,400
	60 to 64	12,200
	65 and over or blind	14,700
	65 and over and blind	17,200
MFJ, CU[1] filing joint	Under 60	$ 15,450
	60 to 64	17,950
	65 and over or blind	20,450
	65 and over and blind	22,950
Dependent on another person's return	Under 60	$ 5,250
	60 to 64	5,250
	65 and over or blind	7,750
	65 and over and blind	10,250

[1] Civil Union.

Part-year residents must file if they:

- Receive income from any source while a Delaware resident *or*
- Receive Delaware-source income while a Delaware nonresident.

Nonresidents must file if they receive Delaware-source income.

Delaware form to file:

- Resident: Form PIT-RES (Delaware Individual Resident Income Tax Return). Part-year residents may elect to file either a resident or a nonresident return.
- Part-year resident (unless filing as resident) and nonresident: Form PIT-NON (Delaware Individual Non-Resident Income Tax Return).

Return due date: April 30

Extension form. Form PIT-EXT (Application for Automatic Extension of Time to File Delaware Individual Income Tax Return).

Allowable extension. Delaware allows an extension to October 15 by filing Form PIT-EXT.

District of Columbia

Website: https://otr.cfo.dc.gov

Tax assistance: 202-727-4829

2022 Quick Tax Method—For Taxable Income of:								
All Filing Statuses	$ 0 –	10,000	× 4.0%	minus	$ 0.00	=	Tax
	10,001 –	40,000	× 6.0	minus	200.00	=	Tax
	40,001 –	60,000	× 6.5	minus	400.00	=	Tax
	60,001 –	250,000	× 8.5	minus	1,600.00	=	Tax
	250,001 –	500,000	× 9.25	minus	3,475.00	=	Tax
	500,000 –	1,000,000	× 9.75	minus	5,975.00	=	Tax
	1,000,001 and over		× 10.75	minus	15,975.00	=	Tax

Filing requirements. Individuals must file if:

- Resident of the District of Columbia and required to file a federal income tax return,
- Permanent residence is the District of Columbia for either part of or the full year,
- Lived in the District of Columbia for 183 days or more (even if permanent residence is elsewhere),
- Member of armed forces and home of record is the District of Columbia.

District of Columbia form to file:

- Resident and part-year resident: Form D-40 (Individual Income Tax Return).
- Nonresident: Form D-40B (Nonresident Request for Refund).

Return due date: April 15

Extension form. Form FR-127 (Extension of Time to File Income Tax Returns).

Allowable extension. Six-month extension allowed with timely filed Form FR-127 and estimated payment.

Florida

Website: https://floridarevenue.com/taxes

Tax assistance: 850-488-6800

Filing requirements. There is no personal income tax in Florida.

Georgia

Website: https://dor.georgia.gov

Tax assistance: 877-423-6711

2022 Quick Tax Method—For Taxable Income of:							
Single	$ 0 –	750	× 1.00%	minus	$ 0.00	=	Tax
	751 –	2,250	× 2.00	minus	7.50	=	Tax
	2,251 –	3,750	× 3.00	minus	30.00	=	Tax
	3,751 –	5,250	× 4.00	minus	67.50	=	Tax
	5,251 –	7,000	× 5.00	minus	120.00	=	Tax
	7,001 and over		× 5.75	minus	172.50	=	Tax
MFJ, HOH, QSS	$ 0 –	1,000	× 1.00%	minus	$ 0.00	=	Tax
	1,001 –	3,000	× 2.00	minus	10.00	=	Tax
	3,001 –	5,000	× 3.00	minus	40.00	=	Tax
	5,001 –	7,000	× 4.00	minus	90.00	=	Tax
	7,001 –	10,000	× 5.00	minus	160.00	=	Tax
	10,001 and over		× 5.75	minus	235.00	=	Tax
MFS	$ 0 –	500	× 1.00%	minus	$ 0.00	=	Tax
	501 –	1,500	× 2.00	minus	5.00	=	Tax
	1,501 –	2,500	× 3.00	minus	20.00	=	Tax
	2,501 –	3,500	× 4.00	minus	45.00	=	Tax
	3,501 –	5,000	× 5.00	minus	80.00	=	Tax
	5,001 and over		× 5.75	minus	117.50	=	Tax

Filing requirements. Residents must file if:

- They are required to file a federal income tax return,
- They have federally exempt income subject to Georgia income tax *or*
- Income exceeds standard deduction and personal exemptions.

Filing status:	Age:	Income exceeds:[1]
Single, HOH, QSS	Under 65	$ 8,100
	65 or older	9,400
MFJ	Both under 65	$ 14,500
	One 65 or older	15,800
	Both 65 or older	17,100
MFS	Under 65	$ 7,250
	65 or older	8,550

[1] Add $1,300 for each blind taxpayer.

Part-year residents must file if required to file federal return.

Nonresidents must file if they have Georgia-source income and are required to file a federal return.

Exception: Legal residents of another state are not required to file if their only activity in Georgia is working for an employer where Georgia-source income does not exceed lesser of 5% of total income or $5,000

Georgia form to file:

- Resident, part-year, and nonresident: Form 500 (Individual Income Tax Return).
- Part-year and nonresident: Schedule 3 (Computation of Georgia Taxable Income for Only Part-Year Residents and Nonresidents)—attachment to Form 500.

Return due date: April 15

Extension form. Form IT-303 (Application for Extension of Time for Filing State Income Tax Returns).

Allowable extension. Up to six months if taxpayer either:

- Attaches a copy of the federal extension to Georgia return *or*
- Files Form IT-303.

Pay tax due electronically via the Georgia Tax Center (**https://gtc.dor.ga.gov**) or with Form IT-560 (Individual and Fiduciary Payment Voucher).

Hawaii

Website: https://tax.hawaii.gov

Tax assistance: 800-222-3229, 808-587-4242

2022 Quick Tax Method—For Taxable Income of:										
Single, MFS	$	0 –	2,400	×	1.40%	minus	$	0.00	=	Tax
		2,401 –	4,800	×	3.20	minus		43.20	=	Tax
		4,801 –	9,600	×	5.50	minus		153.60	=	Tax
		9,601 –	14,400	×	6.40	minus		240.00	=	Tax
		14,401 –	19,200	×	6.80	minus		297.60	=	Tax
		19,201 –	24,000	×	7.20	minus		374.40	=	Tax
		24,001 –	36,000	×	7.60	minus		470.40	=	Tax
		36,001 –	48,000	×	7.90	minus		578.40	=	Tax
		48,001 –	150,000	×	8.25	minus		746.40	=	Tax
		150,001 –	175,000	×	9.00	minus		1,871.40	=	Tax
		175,001 –	200,000	×	10.00	minus		3,621.40	=	Tax
		200,001 and over		×	11.00	minus		5,621.40	=	Tax
MFJ, QSS	$	0 –	4,800	×	1.40%	minus	$	0.00	=	Tax
		4,801 –	9,600	×	3.20	minus		86.40	=	Tax
		9,601 –	19,200	×	5.50	minus		307.20	=	Tax
		19,201 –	28,800	×	6.40	minus		480.00	=	Tax
		28,801 –	38,400	×	6.80	minus		595.20	=	Tax
		38,401 –	48,000	×	7.20	minus		748.80	=	Tax
		48,001 –	72,000	×	7.60	minus		940.80	=	Tax
		72,001 –	96,000	×	7.90	minus		1,156.80	=	Tax
		96,001 –	300,000	×	8.25	minus		1,492.80	=	Tax
		300,001 –	350,000	×	9.00	minus		3,742.80	=	Tax
		350,001 –	400,000	×	10.00	minus		7,242.80	=	Tax
		400,001 and over		×	11.00	minus		11,242.80	=	Tax
HOH	$	0 –	3,600	×	1.40%	minus	$	0.00	=	Tax
		3,601 –	7,200	×	3.20	minus		64.80	=	Tax
		7,201 –	14,400	×	5.50	minus		230.40	=	Tax
		14,401 –	21,600	×	6.40	minus		360.00	=	Tax
		21,601 –	28,800	×	6.80	minus		446.40	=	Tax
		28,801 –	36,000	×	7.20	minus		561.60	=	Tax
		36,001 –	54,000	×	7.60	minus		705.60	=	Tax
		54,001 –	72,000	×	7.90	minus		867.60	=	Tax
		72,001 –	225,000	×	8.25	minus		1,119.60	=	Tax
		225,001 –	262,500	×	9.00	minus		2,807.10	=	Tax
		262,501 –	300,000	×	10.00	minus		5,432.10	=	Tax
		300,001 and over		×	11.00	minus		8,432.10	=	Tax

Filing requirements. Residents, part-year, and nonresidents must file if:

- They are doing business in Hawaii (regardless of income) *or*
- Their gross income subject to Hawaii tax exceeds the amounts in the following table.

Filing status:	Age:	Hawaii gross income exceeds:
Single, MFS	Under 65	$ 3,344
	65 or older	4,488
MFJ	Both under 65	$ 6,688
	One 65 or older	7,832
	Both 65 or older	8,976
HOH	Under 65	$ 4,356
	65 or older	5,500
QSS	Under 65	$ 5,544
	65 or older	6,688
Dependent on another return	Amount of dependent's standard deduction	
Nonresident alien	Under 65	$ 1,144
	65 or older	2,288

Nonresidents must prorate the thresholds above by a ratio of Hawaii AGI to total AGI.

Individuals must also file if they owe any of the following taxes:

- Distribution from an individual housing account (Form N-2).
- Tax from the sale of a home (Form N-103).
- Tax on lump-sum distributions (Form N-152).
- Recapture of capital goods excise tax credit (Form N-312).
- Recapture of tax credit for flood victims (Form N-338).
- Recapture of important agricultural land qualified agricultural cost tax credit (Form N-344).
- Recapture of Capital Infrastructure Tax Credit (Form N-348).
- Tax on accumulation distribution of trusts (Form N-405).
- Recapture of low-income housing tax credit (Form N-586).
- Tax from parent's election to report child's interest and dividends (Form N-814).

Hawaii form to file:

- Resident: Form N-11 (Individual Income Tax Return—Resident).
- Part-year and nonresident: Form N-15 (Individual Income Tax Return—Nonresident and Part-Year Resident).

Return due date: April 20

Allowable extension. Hawaii allows an automatic six-month extension without written request if all tax paid by original return due date. Use Form N-200V (Individual Income Tax Payment Voucher) to make a payment.

Idaho

Website: https://tax.idaho.gov

Tax assistance: 800-972-7660, 208-334-7660 (Boise)

2022 Quick Tax Method—For Taxable Income of:										
Single, MFS	$	0 –	1,663	×	1.000%	minus	$	0.00	=	Tax
		1,664 –	4,993	×	3.000%	minus		33.26	=	Tax
		4,994 –	8,323	×	4.500%	minus		108.16	=	Tax
		8,324 and over		×	6.000%	minus		233.00	=	Tax
MFJ, HOH, QSS	$	0 –	3,327	×	1.000%	minus	$	0.00	=	Tax
		3,328 –	9,987	×	3.000%	minus		66.54	=	Tax
		9,988 –	16,647	×	4.500%	minus		216.35	=	Tax
		16,648 and over		×	6.000%	minus		466.05	=	Tax

~~**Note:** 2022 amounts not available at time of publication. Amounts shown are for 2021.~~

Filing requirements. Residents must file if:

- They are required to file a federal income tax return (unless a federal return is only being filed to pay self-employment tax) *or*
- Gross income subject to Idaho tax exceeds the following amounts:

2022 Quick Tax Method—For Taxable Income of:									
All Filing Statuses	$ 0	–	1,743	×	0.33%	minus	$ 0.00	=	Tax
	1,744	–	3,486	×	0.67	minus	5.93	=	Tax
	3,487	–	6,972	×	2.25	minus	61.01	=	Tax
	6,973	–	15,687	×	4.14	minus	192.78	=	Tax
	15,688	–	26,145	×	5.63	minus	426.51	=	Tax
	26,146	–	34,860	×	5.96	minus	512.79	=	Tax
	34,861	–	52,290	×	6.25	minus	613.88	=	Tax
	52,291	–	78,435	×	7.44	minus	1,236.14	=	Tax
	78,436	and over		×	8.53	minus	2,091.08	=	Tax

Filing requirements. Residents must file if:

Filing status:	Net income is:
Single	More than $ 9,000
Single (65 or older)	More than 24,000
Other than single	More than 13,500
Other than single (one or both spouses 65 or older)	More than 32,000
Dependent on another person's return	$5,000 or more

Note: Net income includes income from both spouses and any pension/retirement income exclusion and any social security phase-out amount must be added back.

Residents must also file if they are:

- In the military service with Iowa legal residence *or*
- Subject to Iowa lump-sum tax.

Nonresidents and part-year residents must file if they have Iowa-source net income of at least $1,000 (unless their all-source net income is below the income thresholds above) or are subject to Iowa lump-sum tax or Iowa alternative minimum tax.

Iowa form to file:

- Resident, part-year, and nonresident: Form IA 1040 (Iowa Individual Income Tax Form).
- Part-year and nonresident: Form IA 126 (Iowa Nonresident and Part-Year Resident Credit Schedule)—attachment to IA 1040.

Return due date: April 30

Allowable extension. Automatic six-month extension without written request if at least 90% of tax liability is paid. Use IA 1040V (Individual Income Tax Payment Voucher) to make a tax payment.

Reciprocity agreements: Illinois. Iowa residents with Illinois wage income are only taxed in Iowa. Illinois residents with Iowa wage income are only taxed in Illinois.

Kansas

Website: https://ksrevenue.gov

Tax assistance: 785-368-8222

2022 Quick Tax Method—For Taxable Income of:									
MFJ	$ 5,001	–	30,000	×	3.10%	minus	$ 0.00	=	Tax
	30,001	–	60,000	×	5.25	minus	645.00	=	Tax
	60,001	and over		×	5.70	minus	915.00	=	Tax
Single, HOH, MFS	$ 2,501	–	15,000	×	3.10%	minus	$ 0.00	=	Tax
	15,001	–	30,000	×	5.25	minus	322.50	=	Tax
	30,001	and over		×	5.70	minus	457.50	=	Tax

Filing requirements. Residents and part-year residents must file if they are required to file a federal income tax return *or* Kansas AGI exceeds Kansas standard deduction and exemption allowance.

Residents not required to file a federal return must file based on the following table:

Filing status:	Age:	Gross income of at least:
Single	Under 65	$ 5,750
	65 or older or blind	6,600
	65 or older and blind	7,450
MFJ	Under 65 (both spouses)	$ 12,500
	65 or older or blind (one spouse)	13,200
	65 or older or blind (both spouses)	13,900
	65 or older and blind (one spouse)	13,900
	65 or older or blind (one spouse) and 65 or older and blind (other spouse)	14,600
	65 or older and blind (both spouses)	15,300
HOH	Under 65	$ 10,500
	65 or older or blind	11,350
	65 or older and blind	12,200
MFS	Under 65	$ 6,250
	65 or older or blind	6,950
	65 or older and blind	7,650

Minor dependents must file if gross income exceeds the greater of $500 or earned income up to $3,000.

Nonresidents must file if they receive any Kansas-source income.

Kansas form to file:

- Resident, part-year and nonresident: Form K-40 (Kansas Individual Income Tax).
- Part-year and nonresident: Schedule S (Kansas Supplemental Schedule) Part B (Income Allocation for Nonresidents and Part-Year Residents)—attachment to Form K-40.

Return due date: April 15

Allowable extension. Kansas allows a six-month automatic extension if federal Form 4868 is filed with the IRS. Use Form K-40V (Individual Income Tax Payment Voucher) to make an extension payment of Kansas income tax. No extension is required if receiving Kansas refund.

Kentucky

Website: https://revenue.ky.gov

Tax assistance: 502-564-4581

2022 Tax Rate	
Income tax rate	5%

Filing requirements. Resident must file if:

- Modified gross income (MGI) exceeds the amount in *Chart A* on Page 2-9 and Kentucky AGI exceeds the amount in *Chart B* on Page 2-10.
- If the filing requirements above are not met, a return must be filed to claim a refund of the Kentucky taxes withheld.

Chart A	
Family Size	***Modified gross income (MGI) is greater than:***
One	$ 13,590
Two	18,310
Three	23,030
Four or more	27,750

Maine as an employee for 12 days or less if Maine income from all sources is $3,000 or less.

Maine form to file:

- Resident, *safe harbor* resident, part-year resident, nonresident, and nonresident alien: Form 1040ME (Maine Individual Income Tax).
- Part-year residents, *safe harbor* residents, and nonresidents file one of the following as an attachment to Form 1040ME:
  - Schedule NR (Schedule for Calculating the Nonresident Credit) or
  - Schedule NRH (Schedule for Apportionment and for Calculating the Nonresident Credit for Married Person Electing to File Single).

Return due date: April 15

Allowable extension. Maine allows an automatic six-month extension without written request. Requests for additional time to file must be submitted in writing prior to the expiration of the six-month period. The total extension period cannot exceed eight months. Use Form 1040EXT-ME (Extension Payment Voucher for Individual Income Tax) to make payments or pay tax online and eliminate the necessity of filing the form.

Maryland

Website: https://marylandtaxes.gov

Tax assistance: 410-260-7980, 800-638-2937

2022 Quick Tax Method—For Taxable Income of:										
Single, MFS	$	0	–	1,000	×	2.00%	minus	$ 0.00	=	Tax
		1,001	–	2,000	×	3.00	minus	10.00	=	Tax
		2,001	–	3,000	×	4.00	minus	30.00	=	Tax
		3,001	–	100,000	×	4.75	minus	52.50	=	Tax
		100,001	–	125,000	×	5.00	minus	302.50	=	Tax
		125,001	–	150,000	×	5.25	minus	615.00	=	Tax
		150,001	–	250,000	×	5.50	minus	990.00	=	Tax
		250,001	and over		×	5.75	minus	1,615.00	=	Tax
MFJ, HOH, QSS	$	0	–	1,000	×	2.00%	minus	$ 0.00	=	Tax
		1,001	–	2,000	×	3.00	minus	10.00	=	Tax
		2,001	–	3,000	×	4.00	minus	30.00	=	Tax
		3,001	–	150,000	×	4.75	minus	52.50	=	Tax
		150,001	–	175,000	×	5.00	minus	427.50	=	Tax
		175,001	–	225,000	×	5.25	minus	865.00	=	Tax
		225,001	–	300,000	×	5.50	minus	1,427.50	=	Tax
		300,001	and over		×	5.75	minus	2,177.50	=	Tax

Filing requirements. Residents and part-year residents must file if:

Filing status:	Age:	Maryland gross income of at least:
Single	Under 65	$ 12,950
	65 or over	14,700
MFJ	Both under 65	$ 25,900
	One spouse 65 or over	27,300
	Both spouses 65 or over	28,700
MFS	Any age	$ 12,950
HOH	Under 65	$ 19,400
	65 or over	21,150
QSS	Under 65	$ 25,900
	65 or over	27,300

Nonresidents must file if they have Maryland-sourced income and must file a federal return because their gross income is at least equal to the threshold amounts in the table above.

Maryland form to file:

- Resident and part-year resident: Form 502 (Maryland Resident Income Tax Return).
- Nonresident: Form 505 (Maryland Nonresident Income Tax Return).
- All filers: Form PV (Personal Tax Payment Voucher for Form 502/505, Estimated Tax and Extensions).

Return due date: April 15

Allowable extension. Maryland allows a six-month extension if a federal extension is filed and no tax is due. Form PV must be filed only to make a payment. If a federal extension was not filed, an extension may be filed online at **www.marylandtaxes.gov** or by phone at 410-260-7829.

Reciprocity agreements. District of Columbia, Pennsylvania (certain jurisdictions), Virginia, and West Virginia residents are not required to file a Maryland return, if only source of Maryland income is wages.

Massachusetts

Website: https://mass.gov/orgs/massachusetts-department-of-revenue

Tax assistance: 617-887-6367, MA 800-392-6089

2022 Tax Rate	
Income tax rate	5.00%
Optional tax rate	5.85%
Rate on certain investment income	12.00%

Filing requirements. Residents and part-year residents are required to file if gross income (from all sources) is more than $8,000.

Nonresidents are required to file if they receive Massachusetts-source income that exceeds the lesser of $8,000 or the personal exemption multiplied by the ratio of Massachusetts income to total income. Personal exemptions are: $4,400 Single or MFS, $6,800 HOH and $8,800 MFJ.

Massachusetts form to file:

- Resident: Form 1 (Massachusetts Resident Income Tax Return).
- Part-year and nonresident: Form 1-NR/PY (Massachusetts Nonresident/Part-Year Tax Return).

Return due date: April 15

Allowable extension. Automatic six-month extension granted if no tax due. If tax due, file Form M-4868 (Massachusetts Income Tax Extension Payment Worksheet and Voucher) to remit tax due (payments of $5,000 or more must be made electronically).

Michigan

Website: https://michigan.gov/taxes

Tax assistance: 517-636-4486

2022 Tax Rate	
Income tax rate	4.25%

Filing requirements. Residents, part-year, and nonresidents must file if they owe Michigan tax or their Michigan AGI exceeds their exemption allowance. Michigan taxpayers should file a Michigan return if a federal tax return was filed even if Michigan tax is not owed. This will eliminate unnecessary correspondence from the Michigan Department of Treasury. Michigan allows $5,000 for each exemption claimed on the federal return. Additional exemptions are allowed for individuals with certain disabilities.

Dependents who are claimed on another person's return must file if AGI is over $1,500 (single or MFS) or $3,000 (MFJ).

Missouri form to file:

- Resident, part-year, and nonresident: Form MO-1040 (Individual Income Tax Return).
- Part-year and nonresident: Form MO-NRI (Missouri Income Percentage)—attachment to Form MO-1040. Alternatively, part-year residents can file Form MO-CR (Credit for Income Taxes Paid to Other States).

Return due date: April 15

Extension form. Form MO-60 (Application for Extension of Time to File).

Allowable extension. Missouri allows an automatic six-month extension if a federal extension is filed. File Form MO-60 to remit any tax due.

Montana

Website: https://mtrevenue.gov

Tax assistance: 406-444-6900, 866-859-2254

2022 Quick Tax Method—For Taxable Income of:										
All Filing Statuses	$	0	–	3,300	×	1.0%	minus	$ 0.00	=	Tax
		3,301	–	5,800	×	2.0	minus	33.00	=	Tax
		5,801	–	8,900	×	3.0	minus	91.00	=	Tax
		8,901	–	12,000	×	4.0	minus	180.00	=	Tax
		12,001	–	15,400	×	5.0	minus	300.00	=	Tax
		15,401	–	19,800	×	6.0	minus	454.00	=	Tax
		19,801	and over		×	6.75	minus	603.00	=	Tax

Note: Couples filing MFS calculate tax on their combined income.

Filing requirements. Residents, part-year, and nonresidents must file if they have Montana-source income and:

Filing status:	Age:	Federal gross income (excluding unemployment compensation) is at least:[1]
Single, MFS	Under 65	$ 5,090
	65 or older	7,800
HOH	Under 65	$ 10,180
	65 or older	12,890
MFJ	Both under 65	$ 10,180
	One spouse 65 or older	12,890
	Both spouses 65 or older	15,600

[1] Plus $2,710 if eligible for blind exemption.

Montana form to file:

- Resident, part-year, and nonresident: Form 2 (Montana Individual Income Tax Return).
- Part-year and nonresident: Schedule IV (Nonresident/Part-Year Resident Tax)—attachment to Form 2.

Return due date: April 15

Allowable extension. An automatic six-month extension is granted. Form IT (Montana Individual Income Tax Payment Voucher) is used if tax is due (or payment can be made online).

Reciprocity agreements. North Dakota. Residents of North Dakota are not required to file a Montana return if the only source of Montana income is wages.

Nebraska

Website: https://revenue.nebraska.gov

Tax assistance: 402-471-5729, NE and IA 800-742-7474

2022 Quick Tax Method—For Taxable Income of:										
Single, MFS	$	0	–	3,340	×	2.46%	minus	$ 0.00	=	Tax
		3,441	–	20,590	×	3.51	minus	36.12	=	Tax
		20,591	–	33,180	×	5.01	minus	344.97	=	Tax
		33,181	and over		×	6.84	minus	952.16	=	Tax
MFJ, QSS	$	0	–	6,860	×	2.46%	minus	$ 0.00	=	Tax
		6,861	–	41,190	×	3.51	minus	72.03	=	Tax
		41,191	–	66,360	×	5.01	minus	689.88	=	Tax
		66,361	and over		×	6.84	minus	1,904.27	=	Tax
HOH	$	0	–	6,410	×	2.46%	minus	$ 0.00	=	Tax
		6,411	–	32,950	×	3.51	minus	67.31	=	Tax
		32,951	–	49,200	×	5.01	minus	561.56	=	Tax
		49,201	and over		×	6.84	minus	1,461.92	=	Tax

Filing requirements. Residents must file if their income exceeds the following amounts: Single or MFS—$7,350; MFJ—$14,700; HOH—$10,750 [add $1,700 if age 65 or older or blind ($1,400 if MFJ)] *or* have $5,000 or more of Nebraska adjustments to federal AGI. Nonresidents and part-year with Nebraska-source income must file.

Nebraska form to file:

- Resident, part-year, and nonresident: Form 1040N (Nebraska Individual Income Tax Return).
- Part-year and nonresident: Schedule III (Computation of Nebraska Tax for Partial-Year Residents and Nonresidents Only)—attachment to Form 1040N.

Return due date: April 15

Extension form. Form 4868N (Nebraska Application for Automatic Extension of Time to File a Nebraska Individual Income Tax Return).

Allowable extension. Nebraska accepts a federal extension. File Form 4868N if federal extension not granted or to make a tax payment.

Nevada

Website: https://tax.nv.gov

Tax assistance: 866-962-3707

Filing requirements. Nevada does not have an individual income tax.

New Hampshire

Website: https://revenue.nh.gov

Tax assistance: 603-230-5000

2022 Tax Rate	
Interest and dividend tax rate (Form DP-10)	5.0%
Proprietor business profits tax rate (Form NH-1040)	7.6%

Filing requirements. Residents and part-year residents must file Form DP-10 if:

Filing status:	Taxable interest and/or dividend income exceeds:
Single	$ 2,400
Joint	4,800

Proprietors carrying on business activity within New Hampshire must file Form NH-1040 if they had gross income in excess of $50,000 from self-employment reported on federal Schedule C; income from rental, including farm rental, reported on federal Schedule E or farm income reported on federal Schedule F. Gain or loss on assets used in one of these businesses must also be considered.

2022 NY State Quick Tax Method—For Taxable Income of:										
Single, MFS	$	0	–	8,500	×	4.00%	minus	$ 0.00	=	Tax
		8,501	–	11,700	×	4.50	minus	43.00	=	Tax
		11,701	–	13,900	×	5.25	minus	130.00	=	Tax
		13,901	–	80,650	×	5.50	minus	165.00	=	Tax
		80,651	–	215,400	×	6.00	minus	568.00	=	Tax
		215,401	–	1,077,550	×	6.85	minus	2,399.00	=	Tax
		1,077,551	–	5,000,000	×	9.65	minus	32,571.00	=	Tax
		5,000,001	–	25,000,000	×	10.30	minus	65,071.00	=	Tax
		25,000,001	and over		×	10.90	minus	215,071.00	=	Tax
MFJ, QSS	$	0	–	17,150	×	4.00%	minus	$ 0.00	=	Tax
		17,151	–	23,600	×	4.50	minus	86.00	=	Tax
		23,601	–	27,900	×	5.25	minus	263.00	=	Tax
		27,901	–	161,550	×	5.50	minus	333.00	=	Tax
		161,551	–	323,200	×	6.00	minus	1,140.00	=	Tax
		323,201	–	2,155,350	×	6.85	minus	3,887.00	=	Tax
		2,155,351	–	5,000,000	×	9.65	minus	64,237.00	=	Tax
		5,000,001	–	25,000,000	×	10.30	minus	96,737.00	=	Tax
		25,000,001	and over		×	10.90	minus	246,737.00	=	Tax
HOH	$	0	–	12,800	×	4.00%	minus	$ 0.00	=	Tax
		12,801	–	17,650	×	4.50	minus	64.00	=	Tax
		17,651	–	20,900	×	5.25	minus	196.00	=	Tax
		20,901	–	107,650	×	5.50	minus	249.00	=	Tax
		107,651	–	269,300	×	6.00	minus	787.00	=	Tax
		269,301	–	1,616,450	×	6.85	minus	3,076.00	=	Tax
		1,616,451	–	5,000,000	×	9.65	minus	48,337.00	=	Tax
		5,000,001	–	25,000,000	×	10.30	minus	80,837.00	=	Tax
		25,000,001	and over		×	10.90	minus	230,837.00	=	Tax

Note: If NY AGI is more than $107,650, the graduated tax rates above are phased out.

2022 NYC Quick Tax Method—for Taxable Income of:										
Single, MFS	$	0	–	12,000	×	3.078%	minus	$ 0.00	=	Tax
		12,001	–	25,000	×	3.762	minus	82.00	=	Tax
		25,001	–	50,000	×	3.819	minus	96.00	=	Tax
		50,001	and over		×	3.876	minus	125.00	=	Tax
MFJ, QSS	$	0	–	21,600	×	3.078%	minus	$ 0.00	=	Tax
		21,601	–	45,000	×	3.762	minus	148.00	=	Tax
		45,001	–	90,000	×	3.819	minus	173.00	=	Tax
		90,001	and over		×	3.876	minus	225.00	=	Tax
HOH	$	0	–	14,400	×	3.078%	minus	$ 0.00	=	Tax
		14,401	–	30,000	×	3.762	minus	98.00	=	Tax
		30,001	–	60,000	×	3.819	minus	116.00	=	Tax
		60,001	and over		×	3.876	minus	150.00	=	Tax

Filing requirements. Residents must file if they are:

- Required to file a federal return or
- Not required to file a federal return, but:

Federal filing status would have been:	Federal AGI plus New York additions exceeds:
Single and can be claimed as dependent on another person's return	$ 3,100
All others	4,000

- To claim a refund of state or city income taxes withheld from taxpayer's pay.
- To claim any of the refundable or carryover credits available.

Part-year and nonresidents are required to file if:

Federal filing status:	Received New York-source income and New York AGI exceeds:
Single and can be claimed as dependent on another person's return	$ 3,100
Single and cannot be claimed as dependent on another person's return	8,000
MFJ	16,050
MFS	8,000
HOH	11,200
QSS	16,050

Part-year and nonresidents are also required to file if any of the following apply:

- They are subject to separate tax on lump-sum distributions derived from or connected to New York sources (part-year residents).
- They incurred a New York NOL without incurring a similar federal NOL.
- To claim a refund of state or city income taxes withheld from taxpayer's pay.
- To claim any of the refundable or carryover credits available.

New York form to file:

- Resident: Form IT-201 (Resident Income Tax Return).
- Part-year and nonresident: Form IT-203 (Nonresident and Part-Year Resident Income Tax Return).

Return due date: April 15

Extension form. Form IT-370 (Application for Automatic Six-Month Extension of Time to File for Individuals).

Allowable extension. To request an automatic six-month extension, file Form IT-370 and remit any tax due. A copy of the federal extension is not accepted.

North Carolina

Website: https://ncdor.gov

Tax assistance: 877-252-3052

2022 Tax Rate	
Income tax rate	4.99%

Filing requirements. Every resident whose income for the year exceeds the amount for his filing status as shown in the following chart must file a return:

Filing status	A return is required if federal gross income exceeds
Single	$ 12,750
MFJ	25,500
MFS if spouse does not claim itemized deductions	12,750
MFS if spouse claims itemized deductions	0
HOH	19,125
QSS	25,500
Nonresident alien	0

~~**Note:** 2022 amounts not available at time of publication. Amounts shown are for 2021.~~

An individual not required to file a federal income tax return but who has gross income from all sources—both inside and outside of North Carolina—that equals or exceeds the amount for his filing status shown in the chart above is required to file a North Carolina return. He must complete a federal return and attach it to his North

Carolina income tax return to show how his adjusted gross income and deductions were determined.

A part-year resident must file if his total income for the tax year exceeds the amount for his filing status shown in the chart above and he:

- Received income while a resident of North Carolina or
- Received income while a nonresident that is:
  - Attributable to ownership of any interest in real or tangible personal property in North Carolina;
  - Derived from a business, trade, profession or occupation carried on within North Carolina or
  - Derived from gambling activities in North Carolina.

A nonresident must file if his total income from all sources—both inside and outside of North Carolina—exceeds the amount for his filing status as shown in the chart above and he received income for the tax year from North Carolina sources that was:

- Attributable to ownership of any interest in real or tangible personal property in North Carolina;
- Derived from a business, trade, profession, or occupation carried on in North Carolina or
- Derived from gambling activities in North Carolina.

North Carolina form to file:

- Resident, part-year, and nonresident: Form D-400 (Individual Income Tax Return).
- Part-year and nonresidents: D-400, page 4, D-400 Schedule S (Supplement Schedule); Part D (Computation of North Carolina Taxable Income for Part-Year Residents and Nonresidents).

Return due date: April 15

Extension form. Form D-410 (Application for Extension for Filing Individual Income Tax Return).

Allowable extension. North Carolina allows an automatic six-month extension if granted a federal extension. Only file Form D-410 to make a payment or if Form 4868 was not filed.

North Dakota

Website: http://nd.gov/tax

Tax assistance: 701-328-7088; 877-328-7088

2022 Quick Tax Method—For Taxable Income of:										
Single	$	0	–	41,775	×	1.10%	minus	$ 0.00	=	Tax
		41,776	–	101,050	×	2.04	minus	392.69	=	Tax
		101,051	–	210,825	×	2.27	minus	625.10	=	Tax
		210,826	–	458,350	×	2.64	minus	1,405.15	=	Tax
		458,351	and over		×	2.90	minus	2,596.86	=	Tax
MFJ, QSS	$	0	–	67,700	×	1.10%	minus	$ 0.00	=	Tax
		69,701	–	168,450	×	2.04	minus	655.18	=	Tax
		168,451	–	256,650	×	2.27	minus	1,042.62	=	Tax
		256,651	–	458,350	×	2.64	minus	1,992.22	=	Tax
		458,351	and over		×	2.90	minus	3,183.93	=	Tax
MFS	$	0	–	34,850	×	1.10%	minus	$ 0.00	=	Tax
		34,851	–	84,225	×	2.04	minus	327.59	=	Tax
		84,226	–	128,325	×	2.27	minus	521.31	=	Tax
		128,326	–	229,175	×	2.64	minus	996.11	=	Tax
		229,176	and over		×	2.90	minus	1,591.97	=	Tax
HOH	$	0	–	55,900	×	1.10%	minus	$ 0.00	=	Tax
		55,901	–	144,400	×	2.04	minus	525.46	=	Tax
		144,401	–	233,750	×	2.27	minus	857.58	=	Tax
		233,751	–	458,350	×	2.64	minus	1,722.46	=	Tax
		458,351	and over		×	2.90	minus	2,914.17	=	Tax

Filing requirements. Residents must file if they are required to file a federal income tax return.

Nonresidents must file if they are required to file a federal return and received gross income from North Dakota sources. Part-year residents must file if they are required to file a federal return and received income from any source while a resident *or* received North Dakota-source income while a nonresident.

North Dakota form to file:

- Resident, part-year, and nonresident: Form ND-1 (Individual Income Tax Return).
- Part-year and nonresident: Schedule ND-1NR (Tax Calculation for Nonresidents and Part-Year Residents)—attachment to Form ND-1.

Return due date: April 15

Extension form. Form 101 (Application for Extension of Time to File a North Dakota Tax Return).

Allowable extension: An extension of time to file a taxpayer's federal return is recognized for North Dakota purposes. If there is no federal extension, file Form 101 to request an extension of time to file (Form 101 is not an automatic extension). Use Form ND-1EXT (Individual Extension Payment Voucher) to make a payment.

Reciprocity agreements. Minnesota and Montana. Minnesota residents are not required to file a North Dakota return if only North Dakota source of income is compensation and the taxpayer maintains a home in Minnesota and returns to the home at least once each month. Montana residents are not required to file a North Dakota return if only North Dakota source of income is wages.

Ohio

Website: https://tax.ohio.gov

Tax assistance: 800-282-1780

2022 Quick Tax Method—For Taxable Income of:										
All Filing Statuses	$	0	–	26,050	×	0.000%	minus	$ 0.00	=	Tax
		26,051	–	46,100	×	2.765%	minus	359.59	=	Tax
		46,101	–	92,150	×	3.226%	minus	572.11	=	Tax
		92,151	–	115,300	×	3.688%	minus	997.85	=	Tax
		115,301	and over		×	3.990%	minus	1,346.05	=	Tax

Filing requirements. Residents and part-year residents are required to file unless one of the following exceptions applies:

- Ohio AGI is less than or equal to $0.
- The total of the taxpayer's senior citizen credit, lump-sum distribution credit and joint filing credit is equal to or exceeds his income tax liability and he is not liable for school district income tax.
- The taxpayer's exemption amount is the same as or more than his Ohio AGI.

Nonresidents are required to file if they have Ohio-sourced income.

Ohio form to file:

- Resident, part-year, and nonresident: Form IT 1040 (Individual Income Tax Return).
- Part-year and nonresidents: Schedule D (Nonresident/Part-Year Resident Credit) (Form IT 1040, page 4).

Return due date: April 15

Extension form. Ohio does not have a separate extension form.

Utah

Website: https://tax.utah.gov

Tax assistance: 801-297-2200, 800-662-4335

2022 Tax Rate	
Income tax rate	4.85%

Filing requirements. Residents and part-year residents must file if they are required to file a federal income tax return.

Nonresidents must file if they are required to file a federal income tax return and received Utah-source income.

Utah form to file:

- Resident, part-year, and nonresident: Form TC-40 (Utah Individual Income Tax Return).
- Part-year and nonresident: Form TC-40B (Non or Part-year Resident Schedule)—attachment to Form TC-40.

Return due date: April 15

Allowable extension. Utah allows an automatic six-month extension of time to file. Utah does not have an extension form. Use Form TC-546 (Individual Income Tax Prepayment Coupon) to make a payment.

Vermont

Website: https://tax.vermont.gov

Tax assistance: 802-828-2505

2022 Quick Tax Method—For Taxable Income of:											
Single	$	0	–	42,150	×	3.35%	minus	$	0.00	=	Tax
		42,151	–	102,200	×	6.60	minus		1,369.88	=	Tax
		102,201	–	213,150	×	7.60	minus		2,391.88	=	Tax
		213,151	and over		×	8.75	minus		4,843.10	=	Tax
MFJ, QSS, CU Filing Jointly	$	0	–	70,450	×	3.35%	minus	$	0.00	=	Tax
		70,451	–	170,300	×	6.60	minus		2,289.63	=	Tax
		170,301	–	259,500	×	7.60	minus		3,992.63	=	Tax
		259,501	and over		×	8.75	minus		6,976.88	=	Tax
MFS, CU Filing Separately	$	0	–	35,225	×	3.35%	minus	$	0.00	=	Tax
		35,226	–	85,150	×	6.60	minus		1,144.81	=	Tax
		85,151	–	129,750	×	7.60	minus		1,996.31	=	Tax
		129,751	and over		×	8.75	minus		3,488.44	=	Tax
HOH	$	0	–	56,500	×	3.35%	minus	$	0.00	=	Tax
		56,501	–	145,950	×	6.60	minus		1,836.25	=	Tax
		145,951	–	236,350	×	7.60	minus		3,295.75	=	Tax
		236,351	and over		×	8.75	minus		6,013.78	=	Tax

Filing requirements. Residents, part-year residents, and nonresidents must file if they are required to file a federal return and earn or receive:

1) $100 or more of Vermont income or
2) $1,000 or more of Vermont gross income as a nonresident.

Vermont form to file:

- Resident, part-year, and nonresident: Form IN-111 (Vermont Income Tax Return).
- Part-year and nonresident: Schedule IN-113 (Income Adjustment Calculations)—attachment to Form IN-111.

Return due date: April 15

Extension form. Form IN-151 (Application for Extension of Time to File Form IN-111 Vermont Individual Income Tax Return).

Allowable extension. Vermont allows an automatic six-month extension if Form IN-151 is filed by the due date of the return or taxpayer uses myVTax to file the extension.

Virginia

Website: https://tax.virginia.gov

Tax assistance: 804-367-8031

2022 Quick Tax Method—For Taxable Income of:											
All Filing Statuses	$	0	–	3,000	×	2.00%	minus	$	0.00	=	Tax
		3,001	–	5,000	×	3.00	minus		30.00	=	Tax
		5,001	–	17,000	×	5.00	minus		130.00	=	Tax
		17,001	and over		×	5.75	minus		257.50	=	Tax

Filing requirements. Residents and part-year residents are required to file if:

Filing status:	Virginia AGI is at least:
Single or MFS	$ 11,950
MFJ	23,900

Nonresidents are required to file if they receive any income from Virginia sources other than interest from personal savings accounts, interest or dividends from an individual stock market investment, or pension payments from a Virginia payor.

Virginia form to file:

- Resident: Form 760 (Virginia Resident Individual Income Tax Return).
- Part-year resident: Form 760PY (Virginia Part-Year Resident Income Tax Return).
- Nonresident: Form 763 (Virginia Nonresident Income Tax Return).

Return due date: May 1

Allowable extension. Virginia allows an automatic six-month extension of time to file. Ninety percent of the tax liability must be paid by the original due date for filing the return to avoid penalty. No application for extension is required. To make a payment of tentative tax by the original due date, use voucher Form 760IP.

Reciprocity agreements. The District of Columbia, Kentucky, Maryland, Pennsylvania, and West Virginia residents may be exempt from filing if their only source of Virginia income is wages subject to income tax by the resident state (or district). For residents of the District of Columbia and Kentucky, the exemption applies if the individual had no actual place of abode in Virginia during the year. The exemption applies to Maryland, Pennsylvania, and West Virginia residents if they are present in Virginia for 183 days or less during the year.

Washington

Website: https://dor.wa.gov

Tax assistance: 360-705-6705

Filing requirements. Washington does not have a personal income tax, but effective January 1, 2022, it imposes a 7% excise tax on individuals with sales or exchanges of long-term capital assets. Only taxpayers owing capital gains tax are required to file a capital gains tax return. Taxpayers must have capital gains in excess of $250,000. See the *All States Quickfinder® Handbook* for more information.

West Virginia

Website: https://tax.wv.gov

Tax assistance: 800-982-8297, 304-558-3333

2022 Quick Tax Method—For Taxable Income of:										
MFJ, Single, HOH, QSS	$ 0	–	9,999	×	3.0%	minus	$ 0.00	=	Tax
	10,000	–	24,999	×	4.0	minus	100.00	=	Tax
	25,000	–	39,999	×	4.5	minus	225.00	=	Tax
	40,000	–	59,999	×	6.0	minus	825.00	=	Tax
	60,000	and over		×	6.5	minus	1,125.00	=	Tax
MFS	$ 0	–	4,999	×	3.0%	minus	$ 0.00	=	Tax
	5,000	–	12,499	×	4.0	minus	50.00	=	Tax
	12,500	–	19,999	×	4.5	minus	112.50	=	Tax
	20,000	–	29,999	×	6.0	minus	412.50	=	Tax
	30,000	and over		×	6.5	minus	562.50	=	Tax

Filing requirements. Residents and part-year residents are required to file if their West Virginia AGI is greater than the exemption allowance ($2,000 per exemption or $500 if zero exemptions were claimed) *or* to claim a senior citizen's tax credit.

Exception: Taxpayers age 65 or older if income is less than exemption allowance plus senior citizen modification of up to $8,000 do not have to file.

Nonresidents are required to file if their federal AGI includes any West Virginia-source income.

West Virginia form to file:
- Resident, part-year, and nonresident: Form IT-140 (West Virginia Personal Income Tax Return).
- Part-year and nonresident: Schedule A (Nonresidents/Part-Year Residents Schedule of Income)—attachment to Form IT-140.

Return due date: April 15

Extension form. Schedule L (Application for Extension of Time to File).

Allowable extension. West Virginia allows up to a six-month extension if tax liability is paid and the taxpayer either:
- Attaches a copy of federal Form 4868 or
- Files Schedule L if tax owed or federal Form 4868 not filed.

Reciprocity agreements. Kentucky, Maryland, Ohio, Pennsylvania, and Virginia residents may file Form IT-140NRS (Special Nonresident Income Tax Return) to claim a refund if the only West Virginia income is from wages and salaries.

Note: Pennsylvania and Virginia residents qualify only if they did not spend more than 183 days within West Virginia in 2022.

Wisconsin

Website: https://revenue.wi.gov

Tax assistance: 608-266-2772

2022 Quick Tax Method—For Taxable Income of:									
Single, HOH	$ 0	–	12,760	×	3.54%	minus	$ 0.00	=	Tax
	12,761	–	25,520	×	4.65	minus	141.64	=	Tax
	25,521	–	280,950	×	5.30	minus	307.52	=	Tax
	280,951	and over		×	7.65	minus	6,909.84	=	Tax
MFJ	$ 0	–	17,010	×	3.54%	minus	$ 0.00	=	Tax
	17,011	–	34,030	×	4.65	minus	188.81	=	Tax
	34,031	–	374,600	×	5.30	minus	410.01	=	Tax
	374,601	and over		×	7.65	minus	9,213.11	=	Tax
MFS	$ 0	–	8,510	×	3.54%	minus	$ 0.00	=	Tax
	8,511	–	17,010	×	4.65	minus	94.46	=	Tax
	17,011	–	187,300	×	5.30	minus	205.03	=	Tax
	187,301	and over		×	7.65	minus	4,606.58	=	Tax

Filing requirements. Residents must file if:

Filing status:	Age:	Gross income is at least:
Single	Under 65	$ 12,490
	65 or older	12,740
MFJ	Under 65 (both spouses)	$ 23,220
	65 or older (one spouse)	23,470
	65 or older (both spouses)	23,720
MFS	Under 65	$ 11,070
	65 or older	11,320
HOH	Under 65	$ 15,930
	65 or older	16,180

~~**Note:** 2022 amounts not available at time of publication. Amounts shown are for 2021.~~

Residents must also file if they owe a Wisconsin penalty on an IRA, retirement plan, ABLE account, medical or health savings account or Coverdell education savings account (excess contribution).

Part-year and nonresidents must file if gross income is at least $2,000.

Wisconsin form to file:
- Resident: Form 1, Wisconsin Income Tax.
- Part-year and nonresident: Form 1NPR (Nonresident and Part-Year Resident Wisconsin Income Tax).

Return due date: April 15

Allowable extension. Wisconsin allows an extension based on the federal extension. Use Form 1-ES to make any payments. If federal Form 4868 not filed, attach a statement to the Wisconsin tax return indicating which federal extension provision (for example, federal automatic six-month provision) the taxpayer is applying for.

Reciprocity agreements. Illinois, Indiana, Kentucky, and Michigan residents are not required to file a Wisconsin return if the only Wisconsin income is from personal services.

Wyoming

Website: http://revenue.wyo.gov

Tax assistance: 307-777-5200

Filing requirements. Wyoming does not have a personal income tax.

Quick Facts Data Sheet (Continued)

	2023	2022	2021	2020	2019
Business Deductions					
Section 179 deduction:					
Overall limit	$ 1,160,000	$ 1,080,000	$ 1,050,000	$ 1,040,000	$ 1,020,000
SUV limit (per vehicle)	28,900	27,000	26,200	25,900	25,500
Qualifying property phase-out threshold	2,890,000	2,700,000	2,620,000	2,590,000	2,550,000
Depreciation limit—autos, trucks, and vans (1st year)	12,200[4]	11,200[4]	10,200[4]	10,100[4]	10,100[4]
Standard mileage allowances:					
Business	65.5¢[11]	58.5¢/62.5¢[10]	56¢	57.5¢	58¢
Charity work	14¢	14¢	14¢	14¢	14¢
Medical/moving	22¢[11]	18¢/22¢[10]	16¢	17¢	20¢
Qualified business income (QBI) deduction taxable income thresholds:					
MFJ	$ 364,200	$ 340,100	$ 329,800	$ 326,600	$ 321,400
Single, HOH, QSS, or MFS	182,100	170,050	164,900[5]	163,300	160,700[5]
Excess business loss disallowance limits:					
MFJ	$ 578,000	$ 540,000	$ 524,000	$ 518,000	$ 510,000
Single, HOH, QSS, or MFS	289,000	270,000	262,000	259,000	255,000
Health Care Deductions/Exclusions/Credits					
Health savings accounts (HSAs):					
Self-only coverage: Contribution limit	$ 3,850	$ 3,650	$ 3,600	$ 3,550	$ 3,500
Plan minimum deductible	1,500	1,400	1,400	1,400	1,350
Plan out-of-pocket limit	7,500	7,050	7,000	6,900	6,750
Family coverage: Contribution limit	7,750	7,300	7,200	7,100	7,000
Plan minimum deductible	3,000	2,800	2,800	2,800	2,700
Plan out-of-pocket limit	15,000	14,100	14,000	13,800	13,500
Additional contribution limit—age 55 or older	1,000	1,000	1,000	1,000	1,000
Long-term care insurance—deduction limits:					
Age 40 and under	$ 480	$ 450	$ 450	$ 430	$ 420
Age 41 – 50	890	850	850	810	790
Age 51 – 60	1,790	1,690	1,690	1,630	1,580
Age 61 – 70	4,770	4,510	4,520	4,350	4,220
Age 71 and older	5,960	5,640	5,640	5,430	5,270
Long-term care—excludible per diem	$ 420	$ 390	$ 400	$ 380	$ 370
Medical savings accounts (MSAs):					
Self-only coverage: Plan minimum deductible	$ 2,650	$ 2,450	$ 2,400	$ 2,350	$ 2,350
Plan maximum deductible	3,950	3,700	3,600	3,550	3,500
Plan out-of-pocket limit	5,300	4,950	4,800	4,750	4,650
Family coverage: Plan minimum deductible	5,300	4,950	4,800	4,750	4,650
Plan maximum deductible	7,900	7,400	7,150	7,100	7,000
Plan out-of-pocket limit	9,650	9,050	8,750	8,650	8,550
Health flexible spending arrangement—contribution limit	$ 3,050	$ 2,850	$ 2,750	$ 2,750	$ 2,700
Advance payment of health insurance premium tax credit—repayment limit:[6]					
Household income < 200% of federal poverty line (FPL)	$ 700	$ 650	$ 650	$ 650	$ 600
Household income ≥ 200% of FPL, but < 300%	1,800	1,650	1,600	1,600	1,600
Household income ≥ 300% of FPL, but < 400%	3,000	2,800	2,700	2,700	2,650
Qualified small employer HRA reimbursement limits:					
Employee only	$ 5,850	$ 5,450	$ 5,300	$ 5,250	$ 5,150
Employee and family	11,800	11,050	10,700	10,600	10,450
Small employer health insurance credit—average wage limit	$ 30,700	$ 28,700	$ 27,800	$ 27,600	$ 27,100
Education Tax Incentives					
Education savings accounts (ESAs) phase-out begins at AGI of:					
MFJ	$ 190,000	$ 190,000	$ 190,000	$ 190,000	$ 190,000
Single, HOH, QSS, or MFS	95,000	95,000	95,000	95,000	95,000
American opportunity credit—maximum credit (per student)	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Lifetime learning credit (LLC)—maximum credit (per return)	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Education credit phase-out begins at AGI of:					
MFJ: American opportunity	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000
LLC	160,000	160,000	160,000	118,000	116,000
Single, HOH, or QSS: American opportunity	80,000	80,000	80,000	80,000	80,000
LLC	80,000	80,000	80,000	59,000	58,000
MFS	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed
Student loan interest deduction limit	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Student loan interest deduction phase-out begins at AGI of:					
MFJ	$ 155,000	$ 145,000	$ 140,000	$ 140,000	$ 140,000
Single, HOH, or QSS	75,000	70,000	70,000	70,000	70,000
MFS	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed
Savings bonds income exclusion phase-out begins at AGI of:					
MFJ or QSS	$ 137,800	$ 128,650	$ 124,800	$ 123,550	$ 121,600
Single or HOH	91,850	85,800	83,200	82,350	81,100
MFS	Not Allowed	Not Allowed	Not Allowed	Not Allowed	Not Allowed

Quick Facts Data Sheet (Continued)

	2023	2022	2021	2020	2019
Tuition deduction phase-out begins at AGI of:					
MFJ	N/A[7]	N/A[7]	N/A[7]	$ 130,000	$ 130,000
Single, HOH, or QSS	N/A[7]	N/A[7]	N/A[7]	65,000	65,000
MFS	N/A[7]	N/A[7]	N/A[7]	Not Allowed	Not Allowed
Additional Taxes					
AMT exemption:					
MFJ or QSS	$ 126,500	$ 118,100	$ 114,600	$ 113,400	$ 111,700
Single or HOH	81,300	75,900	73,600	72,900	71,700
MFS	63,250	59,050	57,300	56,700	55,850
Child subject to kiddie tax—earned income plus	N/A[8]	N/A[8]	N/A[8]	N/A[8]	N/A[8]
Net investment income tax begins at AGI of:					
MFJ or QSS	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Single or HOH	200,000	200,000	200,000	200,000	200,000
MFS	125,000	125,000	125,000	125,000	125,000
Retirement Plans					
IRA contribution limits:					
Under age 50 at year end	$ 6,500	$ 6,000	$ 6,000	$ 6,000	$ 6,000
Age 50 or older at year end	7,500	7,000	7,000	7,000	7,000
Traditional IRA deduction phase-out begins at AGI of (taxpayer or spouse covered by employer retirement plan):					
MFJ and QSS (covered spouse)	$ 116,000	$ 109,000	$ 105,000	$ 104,000	$ 103,000
MFJ (non-covered spouse)	218,000	204,000	198,000	196,000	193,000
Single and HOH	73,000	68,000	66,000	65,000	64,000
MFS	0	0	0	0	0
Roth IRA contribution phase-out begins at AGI of:					
MFJ or QSS	$ 218,000	$ 204,000	$ 198,000	$ 196,000	$ 193,000
Single or HOH	138,000	129,000	125,000	124,000	122,000
MFS	0	0	0	0	0
SIMPLE IRA plan elective deferral limits:					
Under age 50 at year end	$ 15,500	$ 14,000	$ 13,500	$ 13,500	$ 13,000
Age 50 or older at year end	19,000	17,000	16,500	16,500	16,000
401(k), 403(b), 457, and SARSEP elective deferral limits:					
Under age 50 at year end	$ 22,500	$ 20,500	$ 19,500	$ 19,500	$ 19,000
Age 50 or older at year end	30,000	27,000	26,000	26,000	25,000
Profit-sharing plan/SEP contribution limits	$ 66,000	$ 61,000	$ 58,000	$ 57,000	$ 56,000
Compensation limit (for employer contributions to profit sharing plans)	$ 330,000	$ 305,000	$ 290,000	$ 285,000	$ 280,000
Defined benefit plans—annual benefit limit	$ 265,000	$ 245,000	$ 230,000	$ 230,000	$ 225,000
Retirement saver's credit phased-out when AGI exceeds:					
MFJ	$ 73,000	$ 68,000	$ 66,000	$ 65,000	$ 64,000
HOH	54,750	51,000	49,500	48,750	48,000
Single, MFS, or QSS	36,500	34,000	33,000	32,500	32,000
***Key employee* compensation threshold**	$ 215,000	$ 200,000	$ 185,000	$ 185,000	$ 180,000
***Highly compensated* threshold**	$ 150,000	$ 135,000	$ 130,000	$ 130,000	$ 125,000
Social Security					
Maximum earnings and still receive full social security benefits:					
Under full retirement age (FRA) at year-end, benefits reduced by $1 for each $2 earned over	$ 21,240	$ 19,560	$ 18,960	$ 18,240	$ 17,640
Year FRA reached, benefits reduced $1 for each $3 earned over (months up to FRA only)	56,520	51,960	50,520	48,600	46,920
Month FRA reached and later	No Limit	No Limit	No Limit	No Limit	No Limit
Estate and Gift Taxes					
Estate and gift tax exclusion	$ 12,920,000[9]	$12,060,000[9]	$11,700,000[9]	$11,580,000[9]	$11,400,000[9]
GST tax exemption	$ 12,920,000	$12,060,000	$11,700,000	$11,580,000	$11,400,000
Gift tax annual exclusion	$ 17,000	$ 16,000	$ 15,000	$ 15,000	$ 15,000

[1] The exemption deduction amount is zero; however, for other Code provisions that refer to the Section 151 exemption amount (for example, the definition of qualifying relative when determining dependents under IRC Sec. 152), the amount is $4,700 for 2023, $4,400 for 2022, $4,300 for 2021, $4,300 for 2020, and $4,200 for 2019.

[2] Phaseout amount for all other filers (except MFS) is amount shown reduced by: $6,560 ($6,570 if no children) in 2023; $6,130 in 2022; $5,950 ($4,950 if three or more children) in 2021; $5,890 in 2020; $5,790 ($5,800 if no children) in 2019.

[3] Increased refundable credit amounts of $1,600 per child under age six and/or $1,000 per child age six or over are phased out beginning at $150,000 for MFJ/QSS, $112,500 for HOH, and $75,000 for Single. Refundability is determined without regard to earned income.

[4] Add $8,000 if special depreciation claimed.

[5] $164,925 for MFS (2021), $160,725 for MFS (2019).

[6] For single filing status, the amount is half of the amount shown. For tax years beginning in 2020, no additional income tax is imposed on advance credit payments exceeding the taxpayer's PTC.

[7] Permanently repealed for tax years beginning after December 31, 2020.

[8] The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) has suspended the provision limiting the exemption amount for children subject to the kiddie tax to the sum of the child's earned income plus $8,800 for 2023 ($8,200 for 2022) for tax years 2018–2025 [IRC Sec. 55(d)(4)(A)(iii)].

[9] Plus the amount of any deceased spousal unused exclusion and/or any restored exclusion related to lifetime gifts to a same-sex spouse.

[10] The first amount applies to 1/1/22–6/30/22 and the second amount applies to 7/1/22–12/31/22.

~~[11] Amount not available at time of publication.~~

Where to File 2022 Form 1040

Due Date: April 18, 2023

	Address to: ***"Department of the Treasury Internal Revenue Service"***	Address to: **"Internal Revenue Service"**	
Taxpayer lives in:	**Without payment**	**With payment**	
AL, GA, NC, SC, TN	Kansas City, MO 64999-0002	P.O. Box 1214	Charlotte, NC 28201-1214
AK, CA, CO, HI, ID, KS, MI, MT, NE, NV, ND, OH, OR, SD, UT, WA, WY	Ogden, UT 84201-0002	P.O. Box 802501	Cincinnati, OH 45280-2501
AZ, NM	Austin, TX 73301-0002	P.O. Box 802501	Cincinnati, OH 45280-2501
AR, CT, DC, DE, IL, IN, IA, KY, ME, MD, MA, MN, MO, NH, NJ, NY, OK, RI, VT, VA, WV, WI	Kansas City, MO 64999-0002	P.O. Box 931000	Louisville, KY 40293-1000
PA	Kansas City, MO 64999-0002	P.O. Box 802501	Cincinnati, OH 45280-2501
FL, LA, MS, TX	Austin, TX 73301-0002	P.O. Box 1214	Charlotte, NC 28201-1214
A foreign country, U.S. possession or territory; or uses an APO or FPO address; or files Form 2555 or 4563; or is a dual-status alien. If taxpayer lives in American Samoa, Puerto Rico, Guam, U.S. Virgin Islands, or the Northern Mariana Islands, see Pub 570.	Austin, TX 73301-0215 USA	P.O. Box 1303	Charlotte, NC 28201-1303 USA

Where to File Form 1040-ES for 2023

Due Dates: See *Estimated Tax Payments—Due Dates* on Page 16-7.

Address to: "***Internal Revenue Service***"		
Taxpayer lives in:	**Send to:**	
AL, AZ, FL, GA, LA, MS, NM, NC, SC, TN, TX	P.O. Box 1300	Charlotte, NC 28201-1300
AR, CT, DE, DC, IL, IN, IA, KY, ME, MD, MA, MN, MO, NH, NJ, NY, OK, RI, VT, VA, WV, WI	P.O. Box 931100	Louisville, KY 40293-1100
AK, CA, CO, HI, ID, KS, MI, MT, NE, NV, ND, OH, OR, PA, SD, UT, WA, WY	P.O. Box 802502	Cincinnati, OH 45280-2502
A foreign country, American Samoa, or Puerto Rico (or is excluding income under IRC Sec. 933); or uses an APO or FPO address; or files Form 2555 or 4563; or is a dual-status alien or nonpermanent resident of Guam or the U.S. Virgin Islands	P.O. Box 1303	Charlotte, NC 28201-1303, USA
Address to: "***Department of Revenue and Taxation, Government of Guam***"		
Guam: Bona fide residents*	P.O. Box 23607	GMF, GU 96921
Address to: "***Virgin Islands Bureau of Internal Revenue***"		
U.S. Virgin Islands: Bona fide residents*	6115 Estate Smith Bay, Suite 225 St. Thomas, VI 00802	

* Bona fide residents must prepare separate vouchers for estimated income tax and self-employment tax payments. Send the income tax vouchers to the address for bona fide residents and the self-employment tax vouchers to the address for non-bona fide residents.

Where to File Form 4868 for 2022 Return

Due Date: April 18, 2023

	Address to: ***"Department of the Treasury, Internal Revenue Service Center"***	Address to: ***"Internal Revenue Service"***	
Taxpayer lives in:	**Without payment**	**With payment**	
AL, GA, NC, SC, TN	Kansas City, MO 64999-0045	P.O. Box 1302	Charlotte, NC 28201-1302
AK, CA, CO, HI, ID, KS, MI, MT, NE, NV, ND, OH, OR, SD, UT, WA, WY	Ogden, UT 84201-0045	P.O. Box 802503	Cincinnati, OH 45280-2503
AZ, NM	Austin, TX 73301-0045	P.O. Box 802503	Cincinnati, OH 45280-2503
AR, CT, DE, DC, IL, IN, IA, KY, ME, MD, MA, MN, MO, NH, NJ, NY, OK, RI, VT, VA, WV, WI	Kansas City, MO 64999-0045	P.O. Box 931300	Louisville, KY 40293-1300
PA	Kansas City, MO 64999-0045	P.O. Box 802503	Cincinnati, OH 45280-2503
FL, LA, MS, TX	Austin, TX 73301-0045	P.O. Box 1302	Charlotte, NC 28201-1302
A foreign country, American Samoa, or Puerto Rico; or is excluding income under IRC Sec. 933; or using an APO or FPO address; or filing Form 2555 or 4563; or is a dual-status alien; or is a nonpermanent resident of Guam or the U.S. Virgin Islands.	Austin, TX 73301-0215 USA	P.O. Box 1303	Charlotte, NC 28201-1303 USA
All foreign estate and trust Form 1040-NR filers	Kansas City, MO 64999-0045 USA	P.O. Box 1303	Charlotte, NC 28201-1303 USA
All other Form 1040-NR, 1040-PR, and 1040-SS filers	Austin, TX 73301-0045 USA	P.O. Box 1302	Charlotte, NC 28201-1302 USA

— End of Tab 3 —

Alimony Received

See *Alimony* on Page 13-11.

Enter amounts received as alimony or separate maintenance pursuant to a divorce or separation agreement entered into on or before December 31, 2018. Enter the month and year of the original divorce or separation agreement that relates to the alimony payment reported. If alimony payments are from more than one divorce or separation agreement, enter the month and year from the divorce or separation agreement for which the most income was received. Attach a statement listing the month and year of the other agreements.

Business Income/Loss

See Tab 6.

Other Gains/Losses

See *Sales of Business Property* on Page 7-12.

Rental Real Estate, Royalties, Partnerships, S Corporations, Trusts, etc.

See Tab 8.

Farm Income/Loss

See *Schedule F—Profit/Loss From Farming* on Page 6-16.

Unemployment Compensation

See IRS Pub. 525.

Unemployment compensation is taxable [IRC Sec. 85(a)]. Total unemployment compensation is reported to the taxpayer on Form 1099-G. If an overpayment was received and repaid during the year, subtract the repayment amount from the total and enter the result on line 7 of Form 1040, Schedule 1. Write "Repaid" and the amount repaid on the dotted line.

Repayments for prior years cannot be deducted from the benefits reported on line 7. See *Repayments of Income* on Page 5-20 for information on how to handle prior year repayments.

Other Income

Use line 8 of Form 1040, Schedule 1 to report any taxable income not reported elsewhere on the return. List the type and amount of income and, if necessary, include a statement showing the required information.

Examples of income to report:

- Income from the exercise of stock options not otherwise reported on Form 1040, line 1.
- Income from the rental of personal property if the taxpayer was not in the business of renting such property. Report expenses on line 24 of Form 1040, Schedule 1.
- Income from an activity not engaged in for profit. See *Business vs. Hobby Losses* on Page 6-10.
- Net operating loss deduction. See *Net Operating Loss (NOL)* on Page 6-13.
- Most prizes and awards.
- Olympic and Paralympic medals and USOC prize money. See Form 1040, Schedule 1 instructions.
- Jury duty pay.
- Gambling winnings. (Winnings over certain thresholds generally reported to taxpayer on Form W-2G.)
- Foreign earned income exclusion and/or the housing exclusion claimed on Form 2555, Part VIII.
- Taxable distributions from qualified tuition programs (QTPs) or Coverdell education savings accounts (ESAs). Taxable amount may be subject to 10% penalty, reported on Form 5329. See *Education Savings Accounts* on Page 13-8 and *Qualified Tuition (Section 529) Programs* on Page 13-7.
- Taxable distributions from a health savings account (see *Taxable health savings account (HSA) distributions* on Page 4-21) or an Archer MSA. Taxable distributions may also be subject to a penalty tax. See Forms 8889 and 8853.
- Deemed income from an HSA because the individual did not remain HSA-eligible during the testing period. See *Recapture* on Page 4-22.
- Reemployment trade adjustment assistance (RTAA) payments (Form 1099-G, box 5).
- Loss on certain corrective distributions of excess elective deferrals to employer retirement plans. A loss is reported as a negative amount and identified as "Loss on Excess Deferral Distribution."
- Dividends on insurance policies if they exceed the total of all net premiums paid for the contract.
- Taxable cancellation of debt income (non-business debts). See *Canceled Debt* on Page 4-4.
- Recapture of charitable contribution deductions related to donations of fractional interests in personal property or to property donations when the charity disposes of the property within three years.
- Taxable part of disaster relief payments.
- Taxable distributions from an ABLE account. See *Qualified ABLE Programs* on Page 13-3.
- Scholarship and fellowship grants not reported on Form W-2.
- Nontaxable amount of Medicaid waiver payment included on Form 1040, line 1a or 1d. See instructions.
- Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental Section 457 plan.
- Wages earned while incarcerated.
- Section 461(l) excess business loss adjustments.
- U.S. shareholders of controlled foreign corporations are required to report their (1) prorata share of the corporation's subpart F income under IRC Sec. 951, and (2) the global intangible low-taxed income (GILTI) in taxable income under IRC Sec. 951A. Include the amount figured on Form 8992, and attach a copy. Attach a copy of Form 5471 if applicable.
- Income and taxable reimbursements not included on any other line or schedule.

Taxable health savings account (HSA) distributions. Distributions not used for qualified medical expenses of the account beneficiary, spouse, or dependents are included in gross income and subject to a 20% penalty. Exceptions to the penalty include distributions after the beneficiary's death, disability or attainment of age 65. (Qualified medical expenses are generally the same as for itemized medical expenses. See Tab 5. *Exception:* Insurance premiums normally are not treated as a qualified medical expense for HSAs.)

All HSA distributions are reported on Form 8889 [Health Savings Accounts (HSAs)] where the taxable amount and 20% penalty, if any, are computed and carried to line 8f of Form 1040, Schedule 1; and line 17c of Form 1040, Schedule 2, respectively.

Crowdfunding. For years beginning after 2022 (tax year 2022 was a transitional year—see Notice 2023-10), the Form 1099-K filing threshold is met when the total of all payments distributed to a person is more than $600, regardless of the number of transactions or donations. However, payment processors are not required to file~~d~~ Form 1099-K if the contributors to the crowdfunding campaign do not receive goods or services for their contributions. Therefore, when a payment processor distributes money raised meeting the reporting threshold ($600), and the contributors received goods or services for their contributions, then a Form 1099-K is required to be filed. Box 1 should reflect the gross amount of the distributions made during the calendar year; however, the issuance of Form 1099-K does not automatically mean the amount reported is taxable to the recipient.

The income tax consequences depend on all the facts and circumstances and the distribution of the money raised may not be

Limits on Charitable Contributions

Increased limit. The TCJA raised the AGI percentage limitation to 60% for cash contributions to 50% charities for tax years 2018–2025. The other limits of 50%, 30%, and 20% remain unchanged.

Overall limit. An overall 50%-of-AGI limit generally applies to a taxpayer's aggregate deductible contributions (including those subject to the separate 20% or 30% limitation). However, this limit does not apply to contributions subject to the 60%-of-AGI limit or certain qualified conservation contributions (see *Qualified Conservation Contributions* on Page 5-14).

Practice Tip: The deduction limit percentage for many charities is available online as part of the Tax Exempt Organization Search at **https://apps.irs.gov/app/eos/**. In addition, the IRS has ruled that individuals may rely on the IRS's online database of tax-exempt organizations for determining an organization's tax-exempt status; in the event the IRS determines that an organization ceases to qualify as tax-exempt, donations by individuals unaware of the change continue to be deductible until the IRS makes a public announcement of the change in status (Rev. Proc. 2018-32).

Up to 60%-of-AGI limit. Donation of cash to a publicly supported charity or foundation qualifying as a 50% limit organization.

Examples of 50% limit organizations: Churches, educational organizations, hospitals, medical research organizations, publicly supported organizations that receive a substantial amount of support from the general public or governmental units, private operating foundations, private nonoperating foundations that distribute 100% of the contributions to qualified charities within 2½ months after the end of the tax year, private foundations that pool contributions into a common fund and allow contributors to name the charities to receive their gifts if the income is distributed within 2½ months after the end of the tax year.

Up to 50%-of-AGI limit. Donation of property (other than capital gain property) to a publicly supported charity or foundation qualifying as a 50% limit organization.

Up to 30% of AGI limit:

- Donation of capital gain property to a 50% limit organization. Property is *capital gain property* if its sale at FMV on the date of the contribution would have resulted in long-term capital gain. *Exception:* 30% limit does not apply if donor elects to deduct only the property's cost or other basis rather than its FMV.
- Donation of cash or property (other than capital gain property) to any qualified organizations other than 50% limit organizations (includes veterans' organizations, fraternal societies, nonprofit cemeteries, certain private nonoperating foundations).

Up to 20%-of-AGI limit. Donation of capital gain property to any qualified organizations other than 50% limit organizations.

Practice Tip: For multiple contributions subject to different limits, use the worksheet in Pub. 526 to compute the deduction.

Five-Year Contribution Carryforward

Contributions that exceed the AGI limit in the current year can be carried forward to each of the five succeeding years. Carryover contributions are subject to the original percentage limits in the carryover years, and are deducted after deducting allowable contributions for the current year. If there are carryovers from two or more years, use the earlier year carryover first. See *Carryover Schedule for Charitable Contributions* on Page 3-6.

Example: Laurie's AGI for 2022 is $100,000. During 2022, she made cash contributions to her church and the American Red Cross (50% charities) of $70,000 each (for a total of $140,000). Laurie is entitled to deduct $60,000 (60% of her $100,000 AGI). The $80,000 excess contribution has a five-year carryforward and is treated as subject to the AGI limitation applicable in those years.

Contribution deductions disallowed due to NOL carryovers are added to the unused NOL as additional NOL and no longer treated as contributions [Reg. 1.170A-10(d)].

Standard deduction claimed. If the taxpayer claims the standard deduction in any of the carryover years (including the contribution year), the carryover amount is reduced by the amount that would have been deductible if itemizing (Reg. 1.170A-10).

Deceased spouse. Carryovers allocable to the excess contributions of a deceased spouse may only be claimed on the final return of the deceased spouse, not by the surviving spouse [Reg. 1.170A-10(d)(4)(iii)].

Qualified Conservation Contributions

The deduction for qualified conservation contributions is limited to 50% of AGI (100% of AGI for qualified farmers and ranchers) minus the deduction for all other charitable contributions [IRC Sec. 170(b)(1)(E)]. Any excess amount is carried forward 15 years.

Caution: The IRS has announced that conservation easement transactions involving syndication of interests in pass-through entities and similar transactions are listed transactions (that is, presumed tax shelters) and therefore, they must be disclosed by the participants (investors) claiming a share of the charitable contribution deduction (Notices 2017-10, 2017-29, 2017-58; Ann. 2022-28; Prop. Reg. 1.6011-9). IRC Sec. 170(f)(19) and (h)(7) provide specific reporting requirements for, and deduction limitations on, qualified conservation contributions made by pass-through entities after December 29, 2022.

The disclosure is made on Form 8886 (Reportable Transaction Disclosure Statement) filed with the tax return for each year in which the taxpayer participated in a reportable transaction. In the initial year of filing Form 8886, an exact copy of the form is sent to the IRS's Office of Tax Shelter Analysis (OTSA) at the address listed in the Form 8886 instructions.

Contributions That Benefit the Taxpayer

Contributions that are made partly for goods or services provided by the organization are deductible if:

1) The amount of the payment exceeds the FMV of goods and services received and
2) The donor intends to make a payment in excess of the FMV of goods and services.

Example: Anita makes a large contribution to a charity that has a history of sponsoring a dinner-dance for donors making substantial contributions. The charitable deduction is limited to amount of the donation less the FMV of the anticipated dinner-dance even if the dance takes place in the following year.

Refused benefits. A donor can claim a full deduction if all benefits are actively refused (such as checking off a refusal box on a form sent by the charity) (Rev. Rul. 67-246).

Benefits received. If the donor receives some benefit, the charity must provide a statement as to the deductible amount of the contribution. The charity must make a "good faith estimate" of the FMV of goods/services provided to the donor.

Token benefits. A donor can disregard benefits if either:

- The benefits received do not exceed the lesser of 2% of the contribution or $117 (for 2022) or
- The gift is $58.50 or more and the benefit received bears the charity's name or logo and has an aggregate cost not more than $11.70 (for 2022).

the filing of Forms 1099 and if so, whether the Forms 1099 were filed. For example, payments totaling $600 or more are made to a service provider (who is not a corporation) during the year.

Note: For nonemployee compensation payments made, Form 1099-NEC (Nonemployee Compensation) is used instead of Form 1099-MISC for payments made to a payee of at least $600.

Part I—Income

Report income consistently from year to year under the accounting method chosen on line F.

Line 1: Gross receipts or sales. Enter gross receipts or sales from the business, including any taxable amounts reported on Forms 1099-K, 1099-MISC, or 1099-NEC. If the total income reported in box 1 of Form 1099-NEC received in connection with the taxpayer's trade or business is more than the amount the taxpayer reports on Schedule C, line 1, attach a statement explaining the difference. Taxpayers are not required to reconcile their gross receipts to amounts reported on Form 1099-K.

Law Change Alert: Beginning with payment transactions settled after December 31, 2022 (tax year 2022 was a transitional year—see Notice 2023-10), the reporting threshold for third party settlement organizations (such as Venmo, Paypal, Etsy, and Ebay) is reduced from $20,000 in aggregate payments and 200 transactions to solely a threshold of $600 in aggregate payments (with no minimum transaction requirement). Only transactions for goods or services are required to be included on Form 1099-K. If applicable, taxpayers will need to separate business transactions from personal transactions reported on Form 1099-K to determine their reportable taxable income. Organized documentation and recordkeeping will be crucial to prove that transactions are not of a business nature.

Strategy: If the information on Form 1099-MISC or 1099-NEC is incorrect, request a corrected copy from the payer. If the payer will not issue a corrected form, attach an explanation to the tax return. Also, although the IRS is not matching amounts reported to sole proprietors on Form 1099-K to the Schedule C, taxpayers whose amounts reported on Form 1099-K make up a higher than expected portion of gross receipts may be asked to provide additional information to the IRS.

If the business engaged in any bartering transactions, include the FMV of goods or services received. Do not include interest earned from a business bank account. Report interest income on Schedule B.

Statutory employees. See *Statutory Employees* on Page 6-13. Be sure to check the box next to line 1 of Schedule C.

Line 2: Returns and allowances. Enter amounts for returned sales, rebates or allowances from the sales price.

Line 4: Cost of goods sold. See instructions for *Lines 33–42* under *Part III—Cost of Goods Sold* on Page 6-5.

Line 6: Other income. List business-related items including:

- Finance reserve income.
- Scrap sales.
- Bad debts recovered.
- Interest received (such as on notes and accounts receivable).
- State gasoline or fuel tax refunds received in the current tax year.
- Income from trade or business shown on Form 1099-PATR.
- Recapture of excess depreciation (including any Section 179 deduction) from Form 4797 (Sales of Business Property) when business use of listed property drops to 50% or less.
- Prizes and awards received related to the trade or business.
- Credit for federal tax paid on gasoline or other fuels claimed on the prior year Form 1040.
- Cancellation of debt (COD) income related to the sole proprietor's business. (See *Canceled Debt* on Page 4-4 for situations when COD is not taxable.)
- Other kinds of miscellaneous business income.

Part II—Expenses

Deductible business expenses must be ordinary and necessary in carrying on a trade or business (IRC Sec. 162). Certain expenses attributable to the production or acquisition of property for resale cannot be deducted currently. They must be included in inventory costs or capitalized. See instructions for *Lines 33–42* under *Part III—Cost of Goods Sold* on Page 6-5.

Observation: Business expenses paid with a third-party credit card should be deductible when charged, not when the credit card bill is paid, based on IRS rulings that addressed charitable contributions and medical expenses paid by credit card (Rev Ruls. 78-38 and 78-39).

Expenses paid after close of business. If expenses incurred in prior years are paid in the current year by a cash method taxpayer, they are deductible on Schedule C even if the business has been discontinued (Rev. Rul. 67-12).

Line 8: Advertising. The expenses must bear a reasonable relationship to the business activity. Advertising to influence legislation is not deductible.

Line 9: Car and truck expenses. Expenses are deducted under one of the following methods:

1) *Actual cost.* Deduct the business-use percentage times the actual cost of operating the vehicle (gas, oil, repairs, insurance, tires, license, etc.). Show depreciation on line 13 and rent/lease payments on line 20a.
2) *Standard mileage.* For 2022, the business standard mileage rate is 58.5¢ per mile from January–June and 62.5¢ per mile from July–December. The standard rate includes all vehicle operating and ownership costs—except the business percentage of auto loan interest, auto personal property taxes, and business parking and tolls (these amounts can be deducted in addition to the standard mileage rate).

Information on vehicle. If any car or truck expenses are deducted, Part IV of Schedule C or Part V of Form 4562 must be completed. Use Form 4562 to answer the mileage questions only if that form is required for other reasons (such as claiming a depreciation, amortization, or Section 179 deduction). Otherwise, use Schedule C.

See Tab 11 for claiming deductions for the business use of vehicles.

Line 10: Commissions and fees. Deduct commissions and fees other than amounts paid for contract labor.

Line 11: Contract labor. Deduct expenses paid for services performed by nonemployees. Do not include contract labor deducted elsewhere, such as on lines 17, 21, 26, or 37. If $600 or more is paid to an individual for services performed during the year, the payer must file Forms 1099-NEC and 1096 with the IRS. A copy of Form 1099-NEC must be given to the worker (IRC Sec. 6041). See *Independent Contractors* on Page 6-11 for more information.

Line 12: Depletion. A depletion deduction is allowed when a taxpayer has an economic interest in mineral property, an oil, gas or geothermal well, or standing timber.

For oil and gas properties, taxpayers can deduct the greater of cost or, if they qualify, percentage depletion for each property (well or interest). See *Depletion* on Page 12-27. See *Timber depletion* on Page 6-21 for depleting an interest in timber.

Schedule C—Principal Business or Professional Activity Codes

The six-digit codes are based on the North American Industry Classification System (NAICS).
Select the category that best describes the primary business activity. Then, select the activity that best identifies the principal source of sales or receipts.

These codes for the Principal Business or Professional Activity classify sole proprietorships by the type of activity they are engaged in to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the category that best describes your primary business activity (for example, Real Estate). Then select the activity that best identifies the principal source of your sales or receipts (for example, real estate agent). Now find the six-digit code assigned to this activity (for example, 531210, the code for offices of real estate agents and brokers) and enter it on Schedule C, line B.

Note. If your principal source of income is from farming activities, you should file Schedule F.

Accommodation, Food Services, & Drinking Places

Accommodation

721310 Rooming & boarding houses, dormitories, & workers' camps
721210 RV (recreational vehicle) parks & recreational camps
721100 Traveler accommodation (including hotels, motels, & bed & breakfast inns)

Food Services & Drinking Places

722514 Cafeterias, grill buffets, & buffets
722410 Drinking places (alcoholic beverages)
722511 Full-service restaurants
722513 Limited-service restaurants
722515 Snack & non-alcoholic beverage bars
722300 Special food services (including food service contractors & caterers)

Administrative & Support and Waste Management & Remediation Services

Administrative & Support Services

561430 Business service centers (including private mail centers & copy shops)
561740 Carpet & upholstery cleaning services
561440 Collection agencies
561450 Credit bureaus
561410 Document preparation services
561300 Employment services
561710 Exterminating & pest control services
561210 Facilities support (management) services
561600 Investigation & security services
561720 Janitorial services
561730 Landscaping services
561110 Office administrative services
561420 Telephone call centers (including telephone answering services & telemarketing bureaus)
561500 Travel arrangement & reservation services
561490 Other business support services (including repossession services, court reporting, & stenotype services)
561790 Other services to buildings & dwellings
561900 Other support services (including packaging & labeling services, & convention & trade show organizers)

Waste Management & Remediation Services

562000 Waste management & remediation services

Agriculture, Forestry, Hunting, & Fishing

112900 Animal production (including breeding of cats and dogs)
114110 Fishing
113000 Forestry & logging (including forest nurseries & timber tracts)
114210 Hunting & trapping

Support Activities for Agriculture & Forestry

115210 Support activities for animal production (including farriers)
115110 Support activities for crop production (including cotton ginning, soil preparation, planting, & cultivating)
115310 Support activities for forestry

Arts, Entertainment, & Recreation

Amusement, Gambling, & Recreation Industries

713100 Amusement parks & arcades
713200 Gambling industries
713900 Other amusement & recreation services (including golf courses, skiing facilities, marinas, fitness centers, bowling centers, skating rinks, miniature golf courses)

Museums, Historical Sites, & Similar Institutions

712100 Museums, historical sites, & similar institutions

Performing Arts, Spectator Sports, & Related Industries

711410 Agents & managers for artists, athletes, entertainers, & other public figures
711510 Independent artists, writers, & performers
711100 Performing arts companies
711300 Promoters of performing arts, sports, & similar events
711210 Spectator sports (including professional sports clubs & racetrack operations)

Construction of Buildings

236200 Nonresidential building construction
236100 Residential building construction

Heavy and Civil Engineering Construction

237310 Highway, street, & bridge construction
237210 Land subdivision
237100 Utility system construction
237990 Other heavy & civil engineering construction

Specialty Trade Contractors

238310 Drywall & insulation contractors
238210 Electrical contractors
238350 Finish carpentry contractors
238330 Flooring contractors
238130 Framing carpentry contractors
238150 Glass & glazing contractors
238140 Masonry contractors
238320 Painting & wall covering contractors
238220 Plumbing, heating & air-conditioning contractors
238110 Poured concrete foundation & structure contractors
238160 Roofing contractors
238170 Siding contractors
238910 Site preparation contractors
238120 Structural steel & precast concrete construction contractors
238340 Tile & terrazzo contractors
238290 Other building equipment contractors
238390 Other building finishing contractors
238190 Other foundation, structure, & building exterior contractors
238990 All other specialty trade contractors

Educational Services

611000 Educational services (including schools, colleges, & universities)

Finance & Insurance

Credit Intermediation & Related Activities

522100 Depository credit intermediation (including commercial banking, savings institutions, & credit unions)
522200 Nondepository credit intermediation (including sales financing & consumer lending)
522300 Activities related to credit intermediation (including loan brokers)

Insurance Agents, Brokers, & Related Activities

524210 Insurance agencies & brokerages
524290 Other insurance related activities

Securities, Commodity Contracts, & Other Financial Investments & Related Activities

523160 Commodity contracts intermediation
523150 Investment banking & securities intermediation
523210 Securities & commodity exchanges
523900 Other financial investment activities (including investment advice)

Health Care & Social Assistance

Ambulatory Health Care Services

621610 Home health care services
621510 Medical & diagnostic laboratories
621310 Offices of chiropractors
621210 Offices of dentists
621330 Offices of mental health practitioners (except physicians)
621320 Offices of optometrists
621340 Offices of physical, occupational & speech therapists, & audiologists
621111 Offices of physicians (except mental health specialists)
621112 Offices of physicians, mental health specialists
621391 Offices of podiatrists
621399 Offices of all other miscellaneous health practitioners
621400 Outpatient care centers
621900 Other ambulatory health care services (including ambulance services, blood, & organ banks)

Hospitals

622000 Hospitals

Nursing & Residential Care Facilities

623000 Nursing & residential care facilities

Social Assistance

624410 Childcare services
624200 Community food & housing, & emergency & other relief services
624100 Individual & family services
624310 Vocational rehabilitation services

Information

Publishing Industries

513000 Publishing industries

Broadcasting & Content Providers & Telecommunications

516000 Broadcasting & content providers
517000 Telecommunications (including Wired, Wireless, Satellite, Cable & Other Program Distribution, Resellers, Agents, Other Telecommunications, & Internet service providers)

Data Processing, Web Search Portals, & Other Information Services

518210 Computing infrastructure providers, data processing, web hosting, & related services
519200 Web search portals, libraries, archives, & other info. services

Motion Picture & Sound Recording

512100 Motion picture & video industries (except video rental)
512200 Sound recording industries

Manufacturing

315000 Apparel mfg.
312000 Beverage & tobacco product mfg.
334000 Computer & electronic product mfg.
335000 Electrical equipment, appliance, & component mfg.
332000 Fabricated metal product mfg.
337000 Furniture & related product mfg.
333000 Machinery mfg.
339110 Medical equipment & supplies mfg.
322000 Paper mfg.
324100 Petroleum & coal products mfg.
326000 Plastics & rubber products mfg.
331000 Primary metal mfg.
323100 Printing & related support activities
313000 Textile mills
314000 Textile product mills
336000 Transportation equipment mfg.
321000 Wood product mfg.
339900 Other miscellaneous mfg.

Chemical Manufacturing

325100 Basic chemical mfg.
325500 Paint, coating, & adhesive mfg.

~~**Note:** These codes are from draft instructions. Final instructions not available at the date of publication.~~

Schedule C—Principal Business or Professional Activity Codes (Continued)

325300 Pesticide, fertilizer, & other agricultural chemical mfg.
325410 Pharmaceutical & medicine mfg.
325200 Resin, synthetic rubber, & artificial & synthetic fibers & filaments mfg.
325600 Soap, cleaning compound, & toilet preparation mfg.
325900 Other chemical product & preparation mfg.

Food Manufacturing

311110 Animal food mfg.
311800 Bakeries, tortilla, & dry pasta mfg.
311500 Dairy product mfg.
311400 Fruit & vegetable preserving & speciality food mfg.
311200 Grain & oilseed milling
311610 Animal slaughtering & processing
311710 Seafood product preparation & packaging
311300 Sugar & confectionery product mfg.
311900 Other food mfg. (including coffee, tea, flavorings, & seasonings)

Leather & Allied Product Manufacturing

316210 Footwear mfg. (including leather, rubber, & plastics)
316110 Leather & hide tanning & finishing
316990 Other leather & allied product mfg.

Nonmetallic Mineral Product Manufacturing

327300 Cement & concrete product mfg.
327100 Clay product & refractory mfg.
327210 Glass & glass product mfg.
327400 Lime & gypsum product mfg.
327900 Other nonmetallic mineral product mfg.

Mining

212110 Coal mining
211120 Crude petroleum extraction
212200 Metal ore mining
211130 Natural gas extraction
212300 Nonmetallic mineral mining & quarrying
213110 Support activities for mining

Other Services

Personal & Laundry Services

812111 Barber shops
812112 Beauty salons
812220 Cemeteries & crematories
812310 Coin-operated laundries & drycleaners
812320 Drycleaning & laundry services (except coin-operated) (including laundry & drycleaning drop-off & pickup sites)
812210 Funeral homes & funeral services
812330 Linen & uniform supply
812113 Nail salons
812930 Parking lots & garages
812910 Pet care (except veterinary) services
812920 Photofinishing
812190 Other personal care services (including diet & weight reducing centers)
812990 All other personal services

Repair & Maintenance

811120 Automotive body, paint, interior, & glass repair
811110 Automotive mechanical & electrical repair & maintenance
811190 Other automotive repair & maintenance (including oil change & lubrication shops & car washes)
811310 Commercial & industrial machinery & equipment (except automotive & electronic) repair & maintenance
811210 Electronic & precision equipment repair & maintenance
811430 Footwear & leather goods repair
811410 Home & garden equipment & appliance repair & maintenance
811420 Reupholstery & furniture repair
811490 Other personal & household goods repair & maintenance

Professional, Scientific, & Technical Services

541100 Legal services
541211 Offices of certified public accountants
541214 Payroll services
541213 Tax preparation services
541219 Other accounting services

Architectural, Engineering, & Related Services

541310 Architectural services
541350 Building inspection services
541340 Drafting services
541330 Engineering services
541360 Geophysical surveying & mapping services
541320 Landscape architecture services
541370 Surveying & mapping (except geophysical) services
541380 Testing laboratories & services

Computer Systems Design & Related Services

541510 Computer systems design & related services

Specialized Design Services

541400 Specialized design services (including interior, industrial, graphic, & fashion design)

Other Professional, Scientific, & Technical Services

541800 Advertising, public relations, & related services
541600 Management, scientific, & technical consulting services
541910 Market research & public opinion polling
541920 Photographic services
541700 Scientific research & development services
541930 Translation & interpretation services
541940 Veterinary services
541990 All other professional, scientific, & technical services

Real Estate & Rental & Leasing

Real Estate

531100 Lessors of real estate (including miniwarehouses & self-storage units)
531210 Offices of real estate agents & brokers
531320 Offices of real estate appraisers
531310 Real estate property managers
531390 Other activities related to real estate

Rental & Leasing Services

532100 Automotive equipment rental & leasing
532400 Commercial & industrial machinery & equipment rental & leasing
532210 Consumer electronics & appliances rental
532281 Formal wear & costume rental
532310 General rental centers
532283 Home health equipment rental
532284 Recreational goods rental
532282 Video tape & disc rental
532289 Other consumer goods rental

Religious, Grantmaking, Civic, Professional, & Similar Organizations

813000 Religious, grantmaking, civic, professional, & similar organizations

Retail Trade

Building Material & Garden Equipment & Supplies Dealers

444140 Hardware retailers
444110 Home centers
444200 Lawn & garden equipment & supplies retailers
444120 Paint & wallpaper retailers
444180 Other building materials dealers

Clothing & Accessories Retailers

458110 Clothing & clothing accessories retailers
458310 Jewelry retailers
458320 Luggage & leather goods retailers
458210 Shoe retailers

Electronic & Appliance Retailers

449210 Electronics & appliance retailers (including computers)

Food & Beverage Retailers

445320 Beer, wine, & liquor retailers
445250 Fish & seafood retailers
445230 Fruit & vegetable retailers
445100 Grocery & convenience retailers
445240 Meat retailers
445290 Other specialty food retailers
445132 Vending machine operators

Furniture & Home Furnishings Retailers

449110 Furniture retailers
449120 Home furnishings retailers

Gasoline Stations & Fuel dealers

457100 Gasoline stations (including convenience stores with gas)
457210 Fuel dealers (including heating oil & liquefied petroleum)

General Merchandise Retailers

455000 General merchandise retailers

Health & Personal Care Retailers

456120 Cosmetics, beauty supplies, & perfume retailers
456130 Optical goods retailers
456110 Pharmacies & drug retailers
456190 Other health & personal care retailers

Motor Vehicle & Parts Dealers

441300 Automotive parts, accessories, & tire retailers
441222 Boat dealers
441227 Motorcycle, ATV, & all other motor vehicle dealers
441110 New car dealers
441210 Recreational vehicle dealers (including motor home & travel trailer dealers)
441120 Used car dealers

Sporting Goods, Hobby, Book, Musical Instrument & Miscellaneous Retailers

459210 Book retailers & news dealers (including newsstands)
459120 Hobby, toy, & game retailers
459140 Musical instrument & supplies retailers
459130 Sewing, needlework, & piece goods retailers
459110 Sporting goods retailers
459920 Art dealers
459310 Florists
459420 Gift, novelty, & souvenir retailers
459930 Manufactured (mobile) home dealers
459410 Office supplies & stationery retailers
459910 Pet & pet supplies retailers
459510 Used merchandise retailers
459990 All other miscellaneous retailers (including tobacco, candle, & trophy retailers)

Nonstore Retailers

Nonstore retailers sell all types of merchandise using such methods as Internet, mail-order catalogs, interactive television, or direct sales. These types of Retailers should select the PBA associated with their primary line of products sold.

For example, establishments primarily selling prescription and non-prescription drugs, select PBA code *456110 Pharmacies & Drug Retailers*.

Transportation & Warehousing

481000 Air transportation
485510 Charter bus industry
484110 General freight trucking, local
484120 General freight trucking, long distance
485210 Interurban & rural bus transportation
486000 Pipeline transportation
482110 Rail transportation
487000 Scenic & sightseeing transportation
485410 School & employee bus transportation
484200 Specialized freight trucking (including household moving vans)
485300 Taxi, limousine, & ridesharing service
485110 Urban transit systems
483000 Water transportation
485990 Other transit & ground passenger transportation
488000 Support activities for transportation (including motor vehicle towing)

Couriers & Messengers

492000 Couriers & messengers

Warehousing & Storage Facilities

493100 Warehousing & storage (except leases of miniwarehouses & self-storage units)

Utilities

221000 Utilities

Wholesale Trade

Merchant Wholesalers, Durable Goods

423200 Furniture & home furnishing
423700 Hardware, & plumbing & heating equipment & supplies
423600 Household appliances & electrical & electronic goods
423940 Jewelry, watch, precious stone, & precious metals
423300 Lumber & other construction materials
423800 Machinery, equipment, & supplies
423500 Metal & mineral (except petroleum)
423100 Motor vehicle & motor vehicle parts & supplies
423400 Professional & commercial equipment & supplies
423930 Recyclable materials
423910 Sporting & recreational goods & supplies
423920 Toy & hobby goods & supplies
423990 Other miscellaneous durable goods

Merchant Wholesalers, Nondurable Goods

424300 Apparel, piece goods, & notions

Note: ~~These codes are from draft instructions. Final instructions not available at the date of publication.~~

Schedule C—Principal Business or Professional Activity Codes (Continued)

424800	Beer, wine, & distilled alcoholic beverages	424910	Farm supplies	424700	Petroleum & petroleum products	**Wholesale Trade Agents & Brokers**	
424920	Books, periodicals, & newspapers	424930	Flower, nursery stock, & florists' supplies	424940	Tobacco products & electronic cigarettes	425120	Wholesale trade agents & brokers
424600	Chemical & allied products	424400	Grocery & related products	424990	Other miscellaneous nondurable goods	**999999**	**Unclassified establishments (unable to classify)**
424210	Drugs & druggists' sundries	424950	Paint, varnish, & supplies				
424500	Farm product raw materials	424100	Paper & paper products				

Note: ~~These codes are from draft instructions. Final instructions not available at the date of publication.~~

Notes

Advantages to Employer and Self-Employed Plans

Qualified plans, SEPs, and SIMPLEs:

- Contributions are generally tax deductible by the contributor and tax deferred for the plan participant. Earnings on contributions are tax deferred until withdrawn.
- Maximum contributions (including SEPs and SIMPLEs) are generally greater than IRAs.

SEPs and SIMPLEs:

- Easy to set up and maintain.
- Allow plan participant to choose how funds are invested as opposed to a plan administrator through employer.
- Participant is always 100% vested in the plan.

SEPs:

- No annual reporting requirements; easy to administer.
- Do not require recurring contributions.

SIMPLEs: Similar to 401(k) employee elective deferral and employer matching, without complex nondiscrimination and "top-heavy" rules.

401(k) and 403(b) plans:

- Employers allowed to match employee contributions; employee is generally fully vested sooner than with other qualified plans.
- Plan is managed by professionals.
- Easy for employees—contributions through payroll reductions.
- Certain tax-free borrowing from plan is permitted.

Exceptions to 10% Additional Tax Before Age 59½

Note: Distributions treated as a return of nondeductible contributions, distributions of excess contributions or deferrals, and distributions of excess aggregate contributions to meet nondiscrimination requirements are not subject to the 10% additional tax.

Form 5329 Number	Applies to distributions from:	Exception
01	Qualified plan	Distribution made to an employee after separating from service in or after the year he reaches age 55 (age 50 for qualified public safety employees).
02	Qualified plan or IRA	Distribution is part of a series of substantially equal periodic payments made over the life expectancy of the participant or joint lives of participant and his beneficiary.
03	Qualified plan or IRA	Distribution made due to total and permanent disability.
04	Qualified plan or IRA	Distribution made due to death.
05	Qualified plan or IRA	Distribution to the extent the individual's unreimbursed medical expenses exceed 7.5% of his AGI.
06	Qualified plan	Distribution made to an alternate payee pursuant to a qualified domestic relations order (QDRO).
07	IRA	Distribution to pay for health insurance premiums for certain unemployed individuals.
08	IRA	Distribution to the extent of the qualified higher education expenses for the year of the taxpayer, spouse, child, or grandchild.
09	IRA	Distribution for first-time home purchases (no home ownership in prior two years). Exception limited to $10,000 (lifetime).
10	Qualified plan or IRA	Distribution due to an IRS levy on the qualified plan or IRA. The exception will not apply if funds are withdrawn to avoid a levy or to satisfy a levy on other property.
11	Qualified plan or IRA	Distribution to reservists while serving on active duty for at least 180 days.
12	Qualified plan or IRA	Distribution incorrectly indicated as early by code 1, J, or S in box 7 of Form 1099-R.
13	457 plan	Distribution from a Section 457 plan, which isn't from a rollover from a qualified plan.
14	Qualified plan	Distribution from an employer plan to an employee (1) who separated from service on or before 3/1/86, (2) who as of 3/1/86, had his entire interest in pay status under a written election providing a specific schedule for the distribution of the entire interest; and (3) whose distribution is being made under the written election.
15	Qualified plan	Distribution that is dividend paid with respect to stock described in IRC Sec. 404(k).
16	Qualified plan or IRA	Distribution from annuity contract that is allocable to investment in the contract before 8/14/82. See Pub. 575 for additional exceptions that apply to annuities.
17	Qualified plan	Distribution of phased retirement annuity payments to federal employees. See Pub. 721.
18	Qualified plan	Permissible withdrawals under IRC Sec. 414(w).
19	Qualified plan or IRA	Distribution for the birth or adoption of a child (up to $5,000 per parent, per child).

Law Change Alert: The Consolidated Appropriations Act, 2023, exempts from the 10% additional tax on early distributions from qualified plans and IRAs up to $22,000 for *qualified disaster recovery distributions* made within 180 days of a federally declared disaster occurring on or after January 26, 2021 [IRC Sec. 72(t)(2)(M) and (t)(11)]. Distributions are included in income ratably over a three-year period, but can be repaid within three years and not included in income.

Form 1099-R, Box 7 Distribution Codes
1 ► Early distribution, no known exception (in most cases, under age 59½).
2 ► Early distribution, exception applies (under age 59½).
3 ► Disability.
4 ► Death.
5 ► Prohibited transaction.
6 ► Section 1035 exchange (a tax-free exchange of life insurance, annuity, qualified long-term care insurance or endowment contracts).
7 ► Normal distribution.
8 ► Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2022.
9 ► Cost of current life insurance protection.
A ► May be eligible for 10-year tax option (see Form 4972).
B ► Designated Roth account distribution.
C ► Reportable death benefits under IRC Sec. 6050Y.
D ► Annuity payments from nonqualified annuities and distributions from life insurance contracts that may be subject to tax under IRC Sec. 1411.
E ► Distributions under Employee Plans Compliance Resolution System (EPCRS).
F ► Charitable gift annuity.
G ► Direct rollover of a distribution to a qualified plan, a Section 403(b) plan, a governmental Section 457(b) plan or an IRA.
H ► Direct rollover of a designated Roth account distribution to a Roth IRA.
J ► Early distribution from a Roth IRA, no known exception (in most cases, under age 59½).
K ► Distribution of IRA assets not having a readily available FMV.
L ► Loans treated as deemed distributions.
M ► Qualified plan loan offset.
N ► Recharacterized IRA contribution made for 2022 and recharacterized in 2022.
P ► Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2021.
Q ► Qualified distribution from a Roth IRA.
R ► Recharacterized IRA contribution made for 2021 and recharacterized in 2022.
S ► Early distribution from a SIMPLE IRA in first two years, no known exception (under age 59½).
T ► Roth IRA distribution, exception applies.
U ► Dividend distribution from ESOP under Section 404(k). **Note:** This distribution is not eligible for rollover.
W ► Charges or payments for purchasing qualified long-term care insurance contracts under combined arrangements.

Beginning after December 31, 2019, the amount of a taxpayer's QCD that isn't included in gross income for a tax year changed. It is reduced (but not below zero) by the excess of: (1) the total amount of IRA deductions allowed to the taxpayer for all tax years ending on or after the date he attains age 70½, over (2) the aggregate amount of such reductions for all tax years preceding the current tax year [IRC Sec. 408(d)(8)A); Notice 2020-68].

QCDs are included in the amount reported on line 4a of Form 1040, with any taxable amount reported on line 4b. Enter "QCD" on the line next to line 4b.

If the donor owns one or more IRAs to which nondeductible contributions have been made, the taxable amounts are treated as distributed first for QCD purposes. All of the taxpayer's traditional IRAs are aggregated for this purpose.

Caution: A QCD is tax-free only if the entire amount transferred to the charity would otherwise be deductible as a charitable contribution (ignoring the percentage-of-AGI limits). So, if the deductible amount would be reduced because a benefit is received in exchange, or if a deduction would not be allowable because the donor did not obtain sufficient substantiation, the exclusion is not available for any part of the amount transferred to the charity [IRC Sec. 408(d)(8)(C); Notice 2007-7].

Coronavirus-Related Distributions

A *coronavirus-related distribution* was any distribution from an eligible retirement plan made on or after January 1, 2020 and before December 31, 2020 to a *qualified individual*. Eligible retirement plans included employer plans (generally) and IRAs. The amount of aggregate distributions from all eligible retirement plans that could be treated as coronavirus-related distributions was limited to no more than $100,000. While this type of distribution is no longer available, the coverage has been included since the repayments of these distributions can be made over a three-year period.

Note: Form 8915-E was used to report any repayment of a coronavirus-related distribution and to determine the amount of any coronavirus-related distribution includible in income for the 2020 tax year. Form 8915-F is used for the 2021 tax year and beyond to report these repayments and income inclusions.

A *qualified individual* was an individual who:

1) Was diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (collectively, COVID-19) by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act);
2) Has a spouse or dependent who was diagnosed with COVID-19 by such a test; or
3) Experiences adverse financial consequences as a result of:
   a) The individual being quarantined, furloughed, laid off, or having work hours reduced due to COVID-19. This includes the individual being unable to work due to lack of child care due to COVID-19, or the closing or reducing hours of a business owned or operated by the individual due to COVID-19.
   b) The individual having a reduction in pay (or self-employment income) or a job offer rescinded or start date for a job delayed due to COVID-19.
   c) The individual's spouse or a member of the individual's household experiencing any of the same factors.

Special tax treatment is provided for a coronavirus-related distribution to a qualified individual. An exception to the 10% additional tax under IRC Sec. 72(t) is provided [including the 25% additional tax under IRC Sec. 72(t)(6) for certain distributions from SIMPLE IRAs], the distribution is allowed to be included in income ratably over three years, and the distribution will be treated as though it were paid in a direct rollover to an eligible retirement plan if the distribution is eligible for tax-free rollover treatment and is recontributed to an eligible retirement plan within the three-year period beginning on the day after the date on which the distribution was received.

Distributions Attributable to Qualified Disasters

The IRS sometimes announces relief that allows 401(k) plans and similar employer-sponsored retirement plans to make loans and hardship distributions to victims of certain disasters.

The IRS provides a disaster relief resource center for tax professionals on the IRS website at **www.irs.gov/Tax-Professionals/Disaster-Relief-Resource-Center-for-Tax-Professionals**. IRS Pub. 976 (Disaster Relief) has information on the disaster zones and available relief. The IRS has a disaster hotline at (866) 562-5227. Consolidated news releases and links to each specific disaster's information page are available at **www.irs.gov/newsroom/tax-relief-in-disaster-situations**.

Law Change Alert: The Consolidated Appropriations Act, 2023, exempts from the 10% additional tax on early distributions from qualified plans and IRAs up to $22,000 for *qualified disaster recovery distributions* made within 180 days of a federally declared disaster occurring on or after January 26, 2021 [IRC Sec. 72(t)(2)(M) and (t)(11)]. Distributions are included in income ratably over a three-year period, but can be repaid within three years and not included in income.

Hardship Distributions

Employees generally cannot withdraw funds from a 401(k) or 403(b) plan until they leave the employer or reach age 59½. However, employees may qualify to withdraw elective contributions before then if there is an immediate and heavy financial need [Reg. 1.401(k)-1(d)(3)].

An employee who receives a hardship distribution may continue to make elective contributions or employee contributions to the plan and all other plans maintained by the employer after receipt of the hardship distribution [Reg. 1.401(k)-1(d)(3)(iii)(C)].

Expenses that satisfy the immediate and heavy financial need requirement [Reg. 1.401(k)-1(d)(3)(ii)(B)]:

- Medical expenses, including expenses for the employee, spouse, dependent, or primary beneficiary under the plan.

Social Security

Tab 14 Social Security Topics

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Social Security and Medicare Highlights

	2023	2022	2021
Cost-of-living (COLA) adjustment	8.70%	5.90%	1.30%
Maximum earnings and still receive full social security benefits:			
Under full retirement age (FRA) at year-end	$ 21,240	$ 19,560	$ 18,960
Year FRA reached[1]	56,520	51,960	50,520
Month FRA reached and later	No Limit	No Limit	No Limit
Maximum earnings subject to:			
Social security tax	$ 160,200	$ 147,000	$ 142,800
Medicare tax	No Limit	No Limit	No Limit
Tax Rates			
Employee:			
Social security	6.20%	6.20%	6.20%
Medicare	1.45[2]	1.45[2]	1.45[2]
Employer:			
Social security	6.20%	6.20%	6.20%
Medicare	1.45	1.45	1.45
Self-Employed:			
Social security	12.40%	12.40%	12.40%
Medicare	2.90[2]	2.90[2]	2.90[2]
Earnings needed to earn one quarter of social security coverage	$ 1,640	$ 1,510	$ 1,470
Medicare:			
Part A monthly premium[3]	$ 506.00	$ 499.00	$ 471.00
Part B monthly premium[4]	164.90	$ 170.10	148.50
Hospital deductible	1,600.00	$ 1,556.00	1,484.00
Medical deductible	226.00	$ 233.00	203.00

[1] Limit applies only to months before attaining FRA. See *Earnings May Reduce Benefits* on Page 14-26.
[2] Plus 0.9% additional Medicare tax on earned income exceeding $200,000 ($250,000 combined earned income if MFJ; $125,000 if MFS).
[3] Applies if less than 40 quarters of covered employment. Lower premium if 30–39 quarters of covered employment. See *Medicare Part A Premiums (2023)* on Page 14-28.
[4] Beneficiaries with higher incomes pay a higher premium. See *Medicare Part B Premiums (2023)* on Page 14-29.

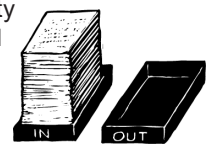
Social Security Benefits

1) *Retirement.* Monthly benefits paid to retired workers as early as age 62.
2) *Family.* Monthly benefits paid to spouse, children (including dependent adults who have been disabled since childhood), and some ex-spouses of retired and disabled workers.

3) *Survivor.* Monthly benefits paid to the surviving spouse, children (including dependent adults who have been disabled since childhood), some ex-spouses, and dependent parents of a deceased worker.
4) *Disability.* Monthly benefits paid to workers under age 65 with a qualifying disability.
5) *Supplemental Security Income (SSI).* Monthly benefits to disabled adults and children who have limited income and resources and to people age 65 and older without disabilities who meet the financial limits. See *Supplemental Security Income* on Page 14-31.

Social Security Statement

An individual's social security statement is available at **www.ssa.gov/myaccount**. To access the statement, individuals must create a *my Social Security* account. The statement includes estimates of the individual's retirement and disability benefits, lifetime earnings according to social security's records, and the estimated social security and Medicare taxes the individual has paid.



Estimating Social Security Benefits

An estimate of social security benefits can be found on the social security statement or online at **www.ssa.gov/myaccount/retire-calc.html**. There are calculators that estimate potential benefit amounts using assumptions about retirement dates and different levels of future earnings. The calculators show retirement benefits as well as disability and survivor benefit amounts.

Tax on Social Security Benefits

A portion of social security benefits is taxed if income above a "base amount" (based on filing status) is received in addition to social security benefits (IRC Sec. 86). Form SSA-1099 is received each January showing the amount of benefits received in the previous year. See the *Social Security Benefits Worksheet (2022)* on Page 3-13.

Single and HOH returns. If combined income is over $25,000 (base amount) and under $34,001, up to 50% of benefits are taxable. If combined income is above $34,000, up to 85% of benefits are taxable.

Joint returns. If combined income is over $32,000 (base amount) and under $44,001, up to 50% of benefits are taxable. If combined income is above $44,000, up to 85% of benefits are taxable.

Married filing separate returns. If the taxpayer lived apart from his spouse all year, benefits are taxed the same as for a single person. If the taxpayer lived with his spouse at any time during the year, the base amount is $0 and the taxpayer will generally pay tax on up to 85% of benefits regardless of income.

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What's New

Tab 17 Topics

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Inflation-Adjusted Amounts

For a complete summary of the inflation-adjusted amounts for 2022 (plus 2023 and 2021 and prior years), see the *Quick Facts Data Sheet* on Page 3-1.

Tax Legislation

CHIPS Act of 2022

On August 9, 2022, President Biden signed into law H.R. 4346, the Supreme Court Security Funding Act of 2022 (P.L. 117-167), which includes as its Division A the CHIPS Act of 2022. The CHIPS Act provides more than $52 billion for American semiconductor research, development, and production. The CHIPS Act includes new IRC Sec. 48D, which provides a 25% advanced Investment Tax Credit (ITC) for eligible investments in semiconductor manufacturing as well as for the manufacturing of specialized tooling equipment required for the semiconductor manufacturing process. Eligible taxpayers may elect to treat the credit as a payment against tax ("direct pay") and the credit is generally available for qualifying property placed in service after December 31, 2022 for which construction begins before January 1, 2027.

Inflation Reduction Act of 2022

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376, P.L. 117-169). The Act includes a 15% corporate alternative minimum tax, a 1% excise tax on stock buybacks, and numerous environmental and green energy tax credits. The Act adds IRC Sec. 5000D, which imposes a new excise tax on sales by drug manufacturers, producers, and importers of "designated drugs" during the time that the manufacturer, etc., fails to enter into drug pricing agreements under the Social Security Act. The Act extends the current Premium Tax Credit (PTC) rules through 2025. The Act also increases the qualified small business payroll tax credit for research activities after 2022 [IRC Sec. 41(h)(4)(B) and (h)(5)(B) and IRC Sec. 3111(f)].

See the table *Inflation Reduction Act of 2022 (P. L. 117-169) Selected Tax Provisions* on Page 17-2 for a summary of selected tax provisions included in the Act.

Student Loan Relief

President Biden announced a three-part plan addressing student loan debt. The first part of the plan would allow $20,000 in debt forgiveness if a taxpayer went to college on a Pell Grant, or $10,000 for non-Pell Grant recipients. Private (non-federal) loans are not eligible for debt relief. Debt forgiveness applies only to those with adjusted gross income of less than $125,000 (single or MFS) or $250,000 (MFJ, HOH, or QSS) in 2020 or 2021. Dependent students' eligibility for debt forgiveness is based on their parents' income. The plan's second part is an extension of the pause on student loan repayments one final time, until December 31, 2022. The third part is a modification to the income-based repayment plan rules. The Biden administration said those with undergraduate degrees and a Pell Grant would have their repayments capped at 5% of monthly income. For more information, go to **https://studentaid.gov/debt-relief-announcement/**. At the time of publication, this website indicated that application for debt forgiveness is open, but processing of debt discharges is paused. Tax professionals should monitor this website for developments. Expanded details on the debt forgiveness part of the plan are available at **https://studentaid.gov/manage-loans/forgiveness-cancellation/debt-relief-info**.

Consolidated Appropriations Act, 2023

On December 29, 2022, President Biden signed into law the Consolidated Appropriations Act, 2023 (P.L. 117-328). This omnibus spending bill includes the SECURE 2.0 Act of 2022, which contains many retirement provisions and a number of smaller non-retirement tax provisions. See the summary table posted to the *Handbook Updates* section of **tax.thomsonreuters.com/quickfinder**.

Notes