



TAX TRENDS AND DEVELOPMENTS

2014 FEDERAL INCOME TAX RATES & BRACKETS, ETC., AND SELECTED IRS PUBLICATIONS 2014  
 FEDERAL INCOME TAX RATES & BRACKETS AND RELATED INFORMATION

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The following presents the 2014 tax rates applicable to **taxable income** of taxpayers filing tax returns as single, married filing jointly, or head of household.

Tax Rates	Single	Married - Filing Jointly	Head of Household
10%	\$0 to \$9,075	\$0 to \$18,150	\$0 to \$12,950
15%	\$9,076 to \$36,900	\$18,151 to \$73,800	\$12,951 to \$49,400
25%	\$36,901 to \$89,350	\$73,801 to \$148,850	\$49,401 to \$127,550
28%	\$89,351 to \$186,350	\$148,851 to \$226,850	\$127,551 to \$206,600
33%	\$186,351 to \$405,100	\$226,851 to \$405,100	\$206,601 to \$405,100
35%	\$405,101 to \$406,750	\$405,101 to \$457,600	\$405,101 to \$432,200
39.6%	\$406,751 and Over	\$457,601 and Over	\$432,201 and Over

**Standard Deduction**

- Single.....\$ 6,200
- Married Filing Jointly ...\$12,400
- Head of Household .....\$ 9,100

**Personal Exemption**

The personal exemption for 2014 is \$3,950. However, 2% of the personal exemption is “phased out” – or reduced – for each \$2,500 – or part of \$2,500 – a taxpayer’s adjusted gross income (AGI) exceeds the statutory threshold for subject filing status, as follows:

Filing Status	Phase-Out Begins at AGI of:	Phase-Out Complete at AGI of:_____
Single	\$254,200	\$376,700
Married Filing Jointly	\$305,050	\$427,550
Head of Household	\$279,650	\$402,150

**Selected IRS Publications**

Many IRS publications are available for download at no cost at [www.irs.gov](http://www.irs.gov). Most notable for family law practitioners is Publication 504 – “Divorced or Separated Individuals”, an excellent 25 page summary of divorce taxation updated in October 2013,

Also of note are the following:

- Publication 17 – Your Federal Income Tax for Individuals (very comprehensive - over 200 pages)
- Publication 501 – Exemptions, Standard Deduction, and Filing Information
- Publication 503 – Child and Dependent Care Expenses
- Publication 554 – Tax Guide for Seniors

- Publication 575 – Pension and Annuity Income
- Publication 590 – IRAs
- Publication 596 – Earned Income Credit
- Publication 971 – Innocent Spouse Relief
- Publication 3512 – Innocent Spouse Relief (Brochure)

In addition, all 2013 federal income tax forms are accessible at [www.irs.gov](http://www.irs.gov).

### Note on Michigan Income Tax

For 2013, the flat tax rate is 4.25% and the personal exemption is \$3,950.

As this goes to press, there is talk of using the surprising state surplus to provide tax relief for individuals in 2014. There are, of course, many other thoughts on how to use – or not use – the surplus. So, we will have to wait to see if there will be any income tax changes in 2014.

### About the Author

*Joe Cunningham has over 25 years of experience specializing in financial and tax aspects of divorce, including business valuation, valuing and dividing retirement benefits, and developing settlement proposals. He has lectured extensively for ICLE, the Family Law Section, and the MACPA. Joe is also the author of numerous journal articles and chapters in family law treatises. His office is in Troy though his practice is statewide.*