

Tax law changes for 2023

- **The maximum 401(k) contribution is \$22,500. Ditto for 403(b) and 457 plans. People born before 1974 can put in \$7,500 more.**
- **The 2023 paying cap for traditional IRAs and Roth IRAs increases to \$6,500, plus \$1,000 as an additional catch-up contribution for individuals 50 and older.**
- **The income ceilings on Roth IRA payins go up. Contributions phase out at AGIs of \$218,000 to \$228,000 for couples and \$138,000 to \$153,000 for singles.**
- **The 30% credit for adding solar panels and the like to your home is extended through 2032.**
- **The standard mileage rate for business driving rises to 65.5¢ a mile for 2023. It's 22¢ per mile for medical travel and military moves and 14¢ for charitable driving**

- **Bonus depreciation write-off falls to 80% in 2023.**
- **The Social Security annual wage base for 2023 is \$160,200, a \$13,200 hike.**
- **U.S. taxpayers working abroad have a larger income exclusion...\$120,000**
- **The lifetime estate and gift tax exemption for 2023 jumps to \$12,920,000.**
- **The 30% credit for adding solar panels and the like to your home is extended through 2032.**
- **Lowering the excise tax for account owners who fail to take RMDs to 25% from 50%. It goes down to 10% if the failure is corrected in a timely manner.**
- **Capital gains: The 0% rate applies for individual taxpayers with taxable income up to \$44,625 on single returns, \$59,750 for head-of-household filers and \$89,250 on joint returns. The 20% rate starts at \$492,301 for singles, \$523,051 for heads of household and \$553,851 for couples filing jointly. The 15% rate is for filers with taxable incomes between the 0% and 20% break points. The 3.8% surtax on net investment income kicks in for single people with modified AGIs over \$200,000...\$250,000 for married**