

Projected Income Tax Rate Schedules - President's Proposal

As explained by the staff of the Joint Committee of Taxation (JCS-2-12), the President's proposal would permanently extend the 10%, 15%, 25% and 28% individual income tax rates. For tax years beginning after Dec. 31, 2012, the President's proposal would split the 33% rate bracket into a 33% and a 36% rate bracket. The 35% rate bracket would become the 39.6% bracket, as per current law (i.e., the scheduled EGTRRA sunset). The proposal would set the top of the 33% tax rate bracket (the bottom of the 36% rate bracket) so that single individuals with less than \$202,900 of taxable income in 2013 (\$200,000 of adjusted gross income ("AGI"), assuming one personal exemption and the basic standard deduction, indexed from 2009) would not be subject to the new 36% rate. For married individuals filing joint returns and surviving spouses, the proposal would set the top of the 33% tax rate bracket (the bottom of the 36% rate bracket) so that individuals with taxable income below \$246,200 in 2013 (\$250,000 of AGI, assuming two personal exemptions and the basic standard deduction, indexed from 2009) who are currently subject to the 33% rate would not become subject to the new 36% rate. For head of household filers, the starting point of the 36% bracket would be set at the midpoint of the starting points for single filers and married joint filers, rounded down to the nearest \$50, or \$224,550.

Tax rate schedules if President's proposal were adopted. The tax rate schedules for 2013 as appearing in JCS-2-12 would be as follows:

**FOR MARRIED INDIVIDUALS FILING JOINT RETURNS
AND SURVIVING SPOUSES, THE 2013 RATE BRACKETS WOULD BE:**

If taxable income is: -----	The tax would be: -----
Not over \$17,800	10% of taxable income
Over \$17,800 but not over \$72,300	\$1,780.00 plus 15% of the excess over \$17,800
Over \$72,300 but not over \$145,900	\$9,955.00 plus 25% of the excess over \$72,300
Over \$145,900 but not over \$222,300	\$28,335.00 plus 28% of the excess over \$145,900
Over \$222,300 but not over \$246,200	\$49,747.00 plus 33% of the excess over \$222,300
Over \$246,200 but not over \$397,000	\$57,634.00 plus 36% of the excess over \$246,200
Over \$397,000	\$111,922.00 plus 39.6% of the excess over \$397,000

**FOR SINGLE INDIVIDUALS (OTHER THAN HEADS OF HOUSEHOLDS AND
SURVIVING SPOUSES), THE 2013 RATE BRACKETS WOULD BE:**

If taxable income is: -----	The tax would be: -----
Not over \$8,900	10% of taxable income
Over \$8,900 but not over \$36,150	\$890.00 plus 15% of the excess over \$8,900
Over \$36,150 but not over \$87,550	\$4,978.00 plus 25% of the excess over \$36,150
Over \$87,550 but not over \$182,600	\$17,828.00 plus 28% of the excess over \$87,550
Over \$182,600 but not over \$202,900	\$44,442.00 plus 33% of the excess over \$182,600
Over \$202,900 but not over \$397,000	\$51,140.00 plus 36% of the excess over \$202,900
Over \$397,000	\$121,016.00 plus 39.6% of the excess over \$397,000

FOR HEADS OF HOUSEHOLDS, THE 2013 RATE

BRACKETS WOULD BE:

If taxable income is: -----	The tax would be: -----
Not over \$12,700	10% of taxable income
Over \$12,700 but not over \$48,400	\$1,270.00 plus 15% of the excess over \$12,700
Over \$48,400 but not over \$125,000	\$6,625.00 plus 25% of the excess over \$48,400
Over \$125,000 but not over \$202,450	\$25,775.00 plus 28% of the excess over \$125,000
Over \$202,450 but not over \$224,550	\$47,461.00 plus 33% of the excess over \$202,450
Over \$224,550 but not over \$397,000	\$54,754.00 plus 36% of the excess over \$224,550
Over \$397,000	\$116,836.00 plus 39.6% of the excess over \$397,000

FOR MARRIEDS FILING SEPARATE RETURNS, THE 2013 RATE

BRACKETS WOULD BE:

If taxable income is: -----	The tax would be: -----
Not over \$8,900	10% of taxable income
Over \$8,900 but not over \$36,150	\$890.00 plus 15% of the excess over \$8,900
Over \$36,150 but not over \$72,950	\$4,977.00 plus 25% of the excess over \$36,150
Over \$72,950 but not over \$111,150	\$14,177.00 plus 28% of the excess over \$72,950
Over \$111,150 but not over \$123,100	\$24,873.00 plus 33% of the excess over \$111,150
Over \$123,100 but not over \$198,500	\$28,817.00 plus 36% of the excess over \$123,100
Over \$198,500	\$55,961.00 plus 39.6% of the excess over \$198,500

FOR ESTATES AND TRUSTS, THE 2013 RATE

BRACKETS WOULD BE:

If taxable income is: -----	The tax would be: -----
Not over \$2,300	15% of taxable income
Over \$2,300 but not over \$5,450	\$345.00 plus 25% of the excess over \$2,300
Over \$5,450 but not over \$8,300	\$1,132.50 plus 28% of the excess over \$5,450
Over \$8,300 but not over \$11,350	\$1,930.50 plus 36% of the excess over \$8,300
Over \$11,350	\$3,028.50 plus 39.6% of the excess over \$11,350