



Certified Public
Accountants

Elliott Advisory Group

Presents

Federal Income Tax & Form 1040

What's Your Filing Status?

- Single

- Individuals who never married, divorced or legally separated individuals during the tax year, and widows/widowers

- Head of Household

- Must have paid more than half of the cost of having a home for a qualifying dependent such as children, grandchildren, stepchildren, nieces and nephews, or younger siblings under 19 (24 if a full-time student) who lived with you for over half the tax year. Dependents can also include adults supported by you, such as your parents and adult children.

The filing status is determined on your status at December 31, 2023



What's Your Filing Status?

- Married Filing Jointly
 - Must be legally married by the end of the tax year
- Married Filing Separately
 - Often happens when you live apart from your spouse for an extended period of time (but not legally separated), when one spouse has a financial situation that would result in a bigger refund if they file separately, or when it's preferred to keep finances separate from each other.
- Qualifying Widow(er)
 - Lost a spouse during the tax year
 - Can use this status for the next two tax years if you have a dependent child & are not remarried.

Due Dates for 2023 Tax Filing

- **December 31, 2023**

- Charitable Donations
- 401(k) Contributions
- Required Minimum Distributions

- **January 31, 2024**

- W-2/W-3 or 1099/1096 for employers

- **March 15, 2024**

- Partnership & S-Corporation Tax Returns Due

- **April 15, 2024**

- Individual, Trusts, & Corporation Tax Returns Due
- HSA & IRA Contributions

- **October 15, 2024**

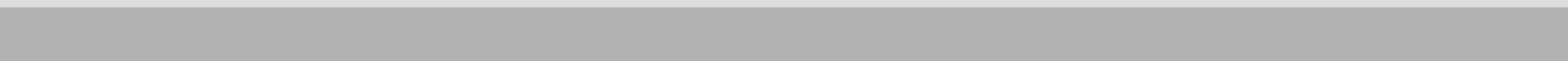
- SEP IRA & Simple IRA Contributions
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Additional Due Dates for 2023 Tax Filing

- **Extension Due Dates**

- September 15, 2024 for Partnership & S-Corporation Tax Returns
- October 15, 2024 for Individual & Corporate Tax Returns

- **Estimated Tax Payment due dates to apply to your 2024 tax return**

- April 15, 2024
 - June 15, 2024
 - September 15, 2024
 - January 15, 2025
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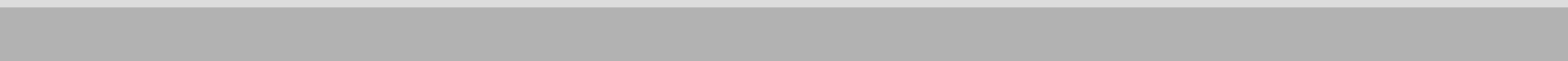
What Taxes Do We Pay?

Federal Income Taxes – see tax brackets

Social Security & Medicare Taxes – 7.65% for employee and 7.65% for employer

- Self-employed individuals pay both for a total of 15.3%
- Social Security Tax capped at \$160,200 in SE income

Capital Gains Taxes:

- 0% if taxable income is less than \$44,625
 - 15% if taxable income is between \$44,626 – \$492,300
 - 20% if taxable income is over \$492,301
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Tax Rate	Single	Married filing jointly	Married filing separately	Head of household
10%	\$0 to \$11,000.	\$0 to \$22,000.	\$0 to \$11,000.	\$0 to \$15,700.
12%	\$11,001 to \$44,725.	\$22,001 to \$89,450.	\$11,001 to \$44,725.	\$15,701 to \$59,850.
22%	\$44,726 to \$95,375.	\$89,451 to \$190,750.	\$44,726 to \$95,375.	\$59,851 to \$95,350.
24%	\$95,376 to \$182,100.	\$190,751 to \$364,200.	\$95,376 to \$182,100.	\$95,351 to \$182,100.
32%	\$182,101 to \$231,250.	\$364,201 to \$462,500.	\$182,101 to \$231,250.	\$182,101 to \$231,250.
35%	\$231,251 to \$578,125.	\$462,501 to \$693,750.	\$231,251 to \$346,875.	\$231,251 to \$578,100.
37%	\$578,126 or more.	\$693,751 or more.	\$346,876 or more.	\$578,101 or more.

2023 Income Tax Brackets

2023 Tax Brackets: Single Filer

If taxable income is:	The tax due is:
Not over \$11,000	10% of taxable income
Over \$11,000 but not over \$44,725	\$1,100 plus 12% of the excess over \$11,000
Over \$44,725 but not over \$95,375	\$5,147 plus 22% of the excess over \$44,725
Over \$95,375 but not over \$182,100	\$16,290 plus 24% of the excess over \$95,375
Over \$182,100 but not over \$231,250	\$37,104 plus 32% of the excess over \$182,100
Over \$231,250 but not over \$578,125	\$52,832 plus 35% of the excess over \$231,250
Over \$578,125	\$174,238.25 plus 37% of the excess over \$578,125

2023 Tax Brackets: Head of Household

If taxable income is:	The tax due is:
Not over \$15,700	10% of taxable income
Over \$15,700 but not over \$59,850	\$1,570 plus 12% of the excess over \$15,700
Over \$59,850 but not over \$95,350	\$6,868 plus 22% of the excess over \$59,850
Over \$95,350 but not over \$182,100	\$14,678 plus 24% of the excess over \$95,350
Over \$182,100 but not over \$231,250	\$35,498 plus 32% of the excess over \$182,100
Over \$231,250 but not over \$578,100	\$51,226 plus 35% of the excess over \$231,250
Over \$578,100	\$172,623.50 plus 37% of the excess over \$578,100

2023 Tax Brackets: Married Filing Jointly

If taxable income is:	The tax due is:
Not over \$22,000	10% of taxable income
Over \$22,000 but not over \$89,450	\$2,200 plus 12% of the excess over \$22,000
Over \$89,450 but not over \$190,750	\$10,294 plus 22% of the excess over \$89,450
Over \$190,750 but not over \$364,200	\$32,580 plus 24% of the excess over \$190,750
Over \$364,200 but not over \$462,500	\$74,208 plus 32% of the excess over \$364,200
Over \$462,500 but not over \$693,750	\$105,664 plus 35% of the excess over \$462,500
Over \$693,750	\$186,601.50 plus 37% of the excess over \$693,750

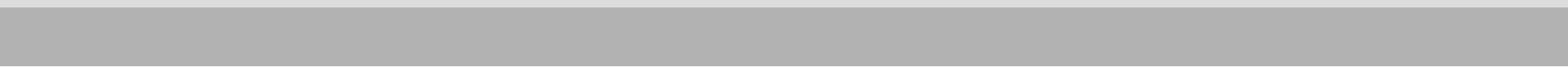
2023 Tax Brackets: Married Filing Separately

If taxable income is:	The tax due is:
Not over \$11,000	10% of taxable income
Over \$11,000 but not over \$44,725	\$1,100 plus 12% of the excess over \$11,000
Over \$44,725 but not over \$95,375	\$5,147 plus 22% of the excess over \$44,725
Over \$95,375 but not over \$182,100	\$16,290 plus 24% of the excess over \$95,375
Over \$182,100 but not over \$231,250	\$37,104 plus 32% of the excess over \$182,100
Over \$231,250 but not over \$346,875	\$52,832 plus 35% of the excess over \$231,250
Over \$346,875	\$93,300.75 plus 37% of the excess over \$346,875

Types of Income

- W-2 Wages
- Self-Employment Income
- Interest/Dividend Income
- Social Security Benefits
- Pensions/Annuities
- Rental Income
- Gambling Income
- Capital Gains – from selling stocks or property
- Alimony received – IF divorce date is on or before December 31, 2018 (unless stated otherwise in the documents the judge signed)

Potential Tax Reduction Options for All Individuals

- Child Tax Credit
 - Dependent Care Credit
 - American Opportunity Credit
 - Lifetime Opportunity Credit
 - Earned Income Credit
 - Contribute to an HSA
 - Contribute to an IRA
- 

Child Tax Credit & Dependent Care Credit

- Child Tax Credit
 - Worth up to \$2,000 per qualifying dependent under the age of 17
 - Decreases if your adjusted gross income exceeds \$400,000 (married filing jointly) or \$200,000 (all other filers).
- Child & Dependent Care Credit
 - For parents/caregivers to help cover the cost of qualified care expenses for a child under 13, a spouse or parent unable to care for themselves, or another dependent.
 - Must have earned income throughout the year & paid for the care expenses so that you could either work or seek employment.
 - Credit is generally worth 20% to 35% of up to \$3,000 (for one qualifying dependent) or \$6,000 (for two or more qualifying dependents) – meaning the maximum child & dependent care credit is \$1,050 for one dependent or \$2,100 for two or more dependents.

American Opportunity Credit & Lifetime Learning Credit

- American Opportunity Credit
 - Up to \$2,500 if you paid that much in undergraduate education expenses
 - Can be claimed as a student if you're not claimed as a dependent on anyone else's tax return or parents can claim for a student who is a dependent. Spouses can claim the credit if they use the married filing jointly status.
 - Can be claimed each year expenses are paid as an undergraduate only
 - Credit based on adjusted gross income
- Lifetime Learning Credit
 - Up to \$2,000 if you paid that much in education expenses
 - You can't claim both the American opportunity credit and the lifetime learning credit in the same year.
 - Can be claimed each year expenses are paid
 - Credit based on adjusted gross income

Earned Income Credit

- Earned Income Credit
 - Ranges from \$600 to \$7,430, depending on your filing status & how many children you have.

Number of children	Maximum earned income tax credit	Max AGI, single or head of household filers	Max AGI, married joint filers
0	\$600	\$17,640	\$24,210
1	\$3,995	\$46,560	\$53,120
2	\$6,604	\$52,918	\$59,478
3 or more	\$7,430	\$56,838	\$63,398

Contributing to an IRA

- Traditional IRA

- Contributions are fully tax-deductible if you or your spouse aren't covered by an employer retirement plan.
- Contributions are partially tax-deductible or non-tax-deductible if you or your spouse are covered by an employer retirement plan.

- ROTH IRA

- Contributions are never tax deductible

Tax Form Overview

Form 1040, Individual Income Tax Return



Form 1040 – Individual Income Tax Return

Page 1

Income Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.	1a	Total amount from Form(s) W-2, box 1 (see instructions)		1a		
	b	Household employee wages not reported on Form(s) W-2		1b		
	c	Tip income not reported on line 1a (see instructions)		1c		
	d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d		
	e	Taxable dependent care benefits from Form 2441, line 26		1e		
	f	Employer-provided adoption benefits from Form 8839, line 29		1f		
	g	Wages from Form 8919, line 6		1g		
	h	Other earned income (see instructions)		1h		
	i	Nontaxable combat pay election (see instructions)	1i			
	z	Add lines 1a through 1h		1z		
	Attach Sch. B if required.	2a	Tax-exempt interest	2a	b	Taxable interest
3a		Qualified dividends	3a	b	Ordinary dividends	3b
Standard Deduction for— • Single or Married filing separately, \$13,850 • Married filing jointly or Qualifying surviving spouse, \$27,700 • Head of household, \$20,800 • If you checked any box under Standard Deduction, see instructions.	4a	IRA distributions	4a	b	Taxable amount	4b
	5a	Pensions and annuities	5a	b	Taxable amount	5b
	6a	Social security benefits	6a	b	Taxable amount	6b
	c	If you elect to use the lump-sum election method, check here (see instructions)		<input type="checkbox"/>		
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here		<input type="checkbox"/>		7
	8	Additional income from Schedule 1, line 10				8
	9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income				9
	10	Adjustments to income from Schedule 1, line 26				10
	11	Subtract line 10 from line 9. This is your adjusted gross income				11
	12	Standard deduction or itemized deductions (from Schedule A)				12
	13	Qualified business income deduction from Form 8995 or Form 8995-A				13
	14	Add lines 12 and 13				14
	15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income				15

Form 1040 – Individual Income Tax Return

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Form 1040 (2023)		Page 2		
Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16	
	17	Amount from Schedule 2, line 3	17	
	18	Add lines 16 and 17	18	
	19	Child tax credit or credit for other dependents from Schedule 8812	19	
	20	Amount from Schedule 3, line 8	20	
	21	Add lines 19 and 20	21	
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
	24	Add lines 22 and 23. This is your total tax	24	
	Payments	25	Federal income tax withheld from:	
a		Form(s) W-2	25a	
b		Form(s) 1099	25b	
c		Other forms (see instructions)	25c	
d		Add lines 25a through 25c	25d	
26		2023 estimated tax payments and amount applied from 2022 return	26	
27		Earned income credit (EIC)	27	
28		Additional child tax credit from Schedule 8812	28	
29		American opportunity credit from Form 8863, line 8	29	
30		Reserved for future use	30	
31	Amount from Schedule 3, line 15	31		
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32		
33	Add lines 25d, 26, and 32. These are your total payments	33		
Refund	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
	35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a	
	b	Routing number: _____ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d	Account number: _____		
	36	Amount of line 34 you want applied to your 2024 estimated tax	36	
Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37	
	38	Estimated tax penalty (see instructions)	38	

If you have a qualifying child, attach Sch. EIC.

Third Party: Do you want to allow another person to discuss this return with the IRS? See instructions.

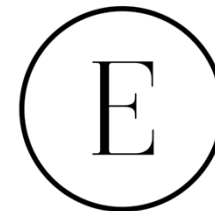
Comments or Questions? I'm here to help!



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Certified Public Accountants