



IRS ISSUES INFLATION ADJUSTMENTS FOR 2024

Nov 13, 2023

The IRS recently announced the 2024 annual inflation adjustments for key tax provisions. Of interest to our clients,

- **Standard Deduction:** The standard deduction for married couples filing jointly increases by \$1,500 to \$29,200. For single taxpayers filing separately, the deduction rises to \$14,500, and for head of households, the deduction will be \$21,900.
- **Marginal Rates:** The top income tax rate remains at 37% for married couples filing jointly with income greater than \$731,200 (\$609,350 for single taxpayers). The lowest rate is 10% for couples with income of \$23,200 or less (\$11,600 for singles). The other rates are:

35% for married filing jointly with income over \$487,450 (\$243,725 for singles)
32% for married filing jointly with income over \$383,900 (\$191,950 for singles)
24% for married filing jointly with income over \$201,050 (\$100,525 for singles)
22% for married filing jointly with income over \$94,300 (\$47,150 for singles)
12% for married filing jointly with income over \$23,200 (\$11,600 for singles)

- **AMT:** The Alternative Minimum Tax exemption will be \$133,300 for married couples filing jointly and begins to phase out at \$1,218,700. The AMT exemption for singles will be \$85,700 with a phase out beginning at \$609,350.
- **Foreign Earned Income:** The foreign earned income exclusion increases by \$6,500 to \$126,500.
- **Estate Tax Credit:** The estate tax credit for 2024 will be \$13,610,000, up from \$12,920,000 in 2023.
- **Annual Gift Tax Exclusion:** The gift tax annual exclusion will be \$18,000 per donee beginning in 2024.

Please contact a Roetzel attorney to discuss tax planning opportunities for 2024.

Steven St. L. Cox

Shareholder

(330) 849-6714 | scox@ralaw.com

Nancy Franks-Straus

Shareholder

312.690.4534 | nfstraus@ralaw.com

Donna F. Hartl

Shareholder, Practice Group Manager, Tax Law

312.580.1250 | dhartl@ralaw.com

Edward C. Hertenstein

Shareholder

(614) 723-2066 | ehertenstein@ralaw.com

David J. Hochman

Shareholder

312.582.1686 | dhochman@ralaw.com





Brian V. McAvoy

Shareholder

239.649.2722 | bmcavoy@ralaw.com

Ben M. Roth

Shareholder

312.582.1676 | broth@ralaw.com

Albert N. Salvatore

Shareholder

(216) 615-4845 | asalvatore@ralaw.com

Brett Simpson

Associate

312.690.5894 | bsimpson@ralaw.com

John B. Waters

Of Counsel

312.582.1685 | jwaters@ralaw.com

