

2023 Tax Benefit Phaseout Levels

Personal Exemption—Eliminated Through 2025

	AGI Phaseout Level
Married, Filing Joint	na
Single	na
Married, Filing Separate	na
Head of Household	na

Itemized Deduction ("Pease" Limitation)—Eliminated Through 2025

	AGI Phaseout Level
Married, Filing Joint	na
Single	na
Married, Filing Separate	na
Head of Household	na

Coverdell Education Account

$2,000 maximum nondeductible contribution per beneficiary; withdrawals are tax-free for qualified education expenses; phaseouts are not indexed to inflation

	Modified AGI* Phaseout Levels
Married, Filing Joint	$190,000 to $220,000
Single	$95,000 to $110,000
Married, Filing Separate	$95,000 to $110,000
Head of Household	$95,000 to $110,000

IRA Deductibility

For those covered by employer retirement plan [$6,500 maximum contribution per taxpayer; if 50 or older, maximum is $7,500]

	Modified AGI* Phaseout Levels
Married, Filing Joint	$116,000 to $136,000
Single	$73,000 to $83,000
Married, Filing Separate	$0 to $10,000
Head of Household	$73,000 to $83,000
Married, Filing Joint not covered by Pension plan, but spouse is	$218,000 to $228,000

Roth IRA Eligibility

Maximum $6,500 nondeductible contribution; if 50 or older, maximum is $7,500

	Modified AGI* Phaseout Levels
Married, Filing Joint	$218,000 to $228,000
Single	$138,000 to $153,000
Married, Filing Separate	$0
Head of Household	$138,000 to $153,000

**Modified AGI starts with your AGI (adjusted gross income) and adds back certain tax-exempt amounts including any IRA deductions.*

(continued from page 14)
state that the tax law change applies to the modification.

Medicare Part B

The rule of thumb for how taxable income determines Medicare Part B premiums is that your modified adjusted gross income from two years prior will determine your premiums for the current tax year (e.g., 2024 premiums will be determined by 2022 income). See the box on page 11 for information about premiums and the income-related monthly adjustment amounts (IRMAAs).

Selling a Home

Married home sellers filing joint returns can exclude the first $500,000 of capital gains on the sale of a house, provided eligibility requirements are met. The exclusion is $250,000 for single filers. These exclusions are not indexed to inflation and will stay the same in 2024 as they were in 2023.

The capital gains from the sale of a home are determined not only by the difference between what you paid for the house and then sold it for, but also by any adjustments to your cost basis. These adjustments include both certain fees and closing costs as well as many improvements made to your property. Keep receipts for improvements made, such as the replacement of a roof or all of your windows. More information can be found in IRS Publication 523.

Be Vigilant About Tax Scams

The IRS continues to warn about tax scams. Among the common current scams are fake charities. These bogus charities are designed to "take advantage of the public's generosity during international crises or natural disasters. Typically, they seek money and personal information, which can be used to further exploit victims through identity theft." A common red flag is pressuring you to
(continued on page 21)