

PIMCO

PIMCO EDUCATION

2023 Tax Reference Guide

This popular guide highlights important and timely tax information for the 2023 tax year.



**INDIVIDUAL INVESTORS SHOULD
CONSULT THEIR TAX PROFESSIONAL**

A company of **Allianz** 

Planning for 2023 Taxes

This Tax Reference Guide provides highlights of the current tax law for financial professionals and investors to be aware of throughout the year. Together with a tax professional, financial advisors and investors should closely monitor the client's overall tax burden and look for planning opportunities to reduce or minimize the impact of taxes annually. Federal tax schedules and tables are included for the various income and asset categories.

The guide is not meant to replace the assistance or advice of a tax professional.

Important Dates (as of January 2023)

Monday January 17, 2023	4th quarter 2022 estimated tax payment due
Monday April 3, 2023	Required minimum distribution deadline for those turning 72 in 2022
Tuesday, April 18, 2023	1st quarter 2023 estimated tax payment due 2021 tax return due (without extension) Deadline to contribute to traditional or Roth IRA for 2022 Deadline to contribute to SEP IRA for 2022 (unless business return is extended)
Thursday, June 15, 2023	2nd quarter 2023 estimated tax payment due
Friday, September 15, 2023	3rd quarter 2023 estimated tax payment due
Monday, October 16, 2023	2022 tax return due (with extension) Deadline to contribute to SEP IRA for 2022 (if business return is extended)
Thursday, November 30, 2023	Last day to double-up on a position and then sell a substantially identical position for a loss before the end of 2023
Sunday, December 31, 2023	Required minimum distribution deadline (other than for those turning 72 in 2023) Deadline to complete tax-deductible charitable contributions for 2023 Deadline for employees to contribute to employer retirement plan
Tuesday, January 16, 2024	4th quarter 2023 estimated tax payment due

The information contained herein is current only as of the date set forth in the guide and neither PIMCO nor its consultants has any obligation to update such information. This presentation is for general and informational purposes only. No PIMCO representative is providing any tax, legal, financial planning, insurance or investment advice to you as part of this material and no recommendation of any particular security, investment or tax strategy or product is being made. Any such advice or recommendation must be received from appropriate tax, legal or financial advisors, wholly independent of this guide. This material has been prepared without taking into account the objectives, financial situation or needs of any specific investors. The information is summary in nature and is not intended to be all inclusive.

As of January 1, 2023

Information provided is current as of the date specified and is subject to change without notice to you.

INCOME**Ordinary Income Tax Rates and Brackets****Single**

Tax rate	If taxable income is	...the tax rate is
10%	\$0-\$11,000	10% of the taxable income
12%	\$11,000-\$44,725	\$1,100 plus 12% of the excess over \$11,000
22%	\$44,725-\$95,375	\$5,147 plus 22% of the excess over \$44,725
24%	\$95,375-\$182,100	\$16,290 plus 24% of the excess over \$95,375
32%	\$182,100-\$231,250	\$37,104 plus 32% of the excess over \$182,100
35%	\$231,250-\$578,125	\$52,832 plus 35% of the excess over \$231,250
37%	\$578,125+	\$174,238.25 plus 37% of the excess over \$578,125

Head of household

Tax rate	If taxable income is	...the tax rate is
10%	\$0-\$15,700	10% of the taxable income
12%	\$15,700-\$59,850	\$1,570 plus 12% of the excess over \$15,700
22%	\$59,850-\$95,350	\$6,868 plus 22% of the excess over \$59,850
24%	\$95,350-\$182,100	\$14,678 plus 24% of the excess over \$95,350
32%	\$182,100-\$231,250	\$35,498 plus 32% of the excess over \$182,100
35%	\$231,250-\$578,100	\$51,226 plus 35% of the excess over \$231,250
37%	\$578,100+	\$172,623.50 plus 37% of the excess over \$578,100

Married, filing jointly

Tax rate	If taxable income is	...the tax rate is
10%	\$0-\$22,000	10% of the taxable income
12%	\$22,000-\$89,450	\$2,200 plus 12% of the excess over \$22,000
22%	\$89,450-\$190,750	\$10,294 plus 22% of the excess over \$89,450
24%	\$190,750-\$364,200	\$32,580 plus 24% of the excess over \$190,750
32%	\$364,200-\$462,500	\$74,208 plus 32% of the excess over \$364,200
35%	\$462,500-\$693,750	\$105,664 plus 35% of the excess over \$462,500
37%	\$693,750+	\$186,601.50 plus 37% of the excess over \$693,750

Married, filing separately

Tax rate	If taxable income is	...the tax rate is
10%	\$0-\$11,000	10% of the taxable income
12%	\$11,000-\$44,725	\$1,100 plus 12% of the excess over \$11,000
22%	\$44,725-\$95,375	\$5,147 plus 22% of the excess over \$44,725
24%	\$95,375-\$182,100	\$16,290 plus 24% of the excess over \$95,375
32%	\$182,100-\$231,250	\$37,104 plus 32% of the excess over \$182,100
35%	\$231,250-\$346,875	\$52,832 plus 35% of the excess over \$231,250
37%	\$346,875+	\$93,300.75 plus 37% of the excess over \$346,875

Source: IRS

Amounts, thresholds and ranges are subject to annual IRS inflation adjustments. Data was obtained from sources believed to be reliable but PIMCO does not guarantee the accuracy or completeness of the content provided. PIMCO undertakes no obligation to update the information and disclaims any warranties or fitness for a particular purpose.

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As of January 1, 2023

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INCOME (continued)**Additional Medicare Tax**

An additional 0.9% Medicare care tax is assessed on family earned income above these thresholds.

Filing status	Earned income threshold
Single	\$200,000
Married, filing jointly	\$250,000
Head of household	\$200,000
Married, filing separately	\$125,000

Child Tax Credit

Tax credit for child under age 17	\$2,000
Refundable portion of child credit	\$1,600
Tax credit for other dependents	\$500

	Single	Married, filing jointly
AGI level when credit begins to phaseout	\$200,000	\$400,000

Standard Deduction

Filing status	Standard deduction
Single	\$13,850
Married, filing jointly	\$27,700
Head of household	\$20,800
Married, filing separately	\$13,850

- Additional deduction for age 65+ or blind = \$1,500 (married); \$1,850 (single)
- The standard deduction for dependents is the greater of (a) \$1,250 or (b) the sum of \$400 and the individual's earned income

Alternative Minimum Tax (AMT)

AMT tax rate	Married, filing separately	All others
26%	\$0-\$110,350	\$0-\$220,700
28%	\$110,350+	\$220,700+

Alternative Minimum Tax (AMT) Exemption

Filing status	2023 exemption	2023 AMT exemption phase-out range*
Single	\$81,300	\$578,150-\$903,350
Married, filing jointly	\$126,500	\$1,156,300-\$1,662,300
Head of household	\$81,300	\$578,150-\$903,350
Married, filing separately	\$63,250	\$578,150-\$831,150

*Exemption subject to 25% phase-out once income reaches this range; exemption is fully phased-out at the top of the range

Source: IRS

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INVESTMENT**Capital Gains and Qualified Dividends**

Long-term capital gain rate	Single	Married, filing jointly	Head of household	Married, filing separately
0%	\$0-\$44,625	\$0-\$89,250	\$0-\$59,750	\$0-\$44,625
15%	\$44,625-\$492,300	\$89,250-\$553,850	\$59,750-\$523,050	\$44,625-\$276,900
20%	\$492,300+	\$553,850+	\$523,050+	\$276,900+

Net Investment Income Tax

A 3.8% NIIT is assessed on the lesser of net investment income (e.g., interest, dividends, capital gains) or Modified AGI above these thresholds.

Filing status	Threshold (modified AGI)
Single	\$200,000
Married, filing jointly	\$250,000
Head of household	\$200,000
Married, filing separately	\$125,000

Gains subject to unique rules	Maximum long-term capital gain rate
Collectible gain	28%
Gain on qualified small business stock equal to the section 1202 exclusion	28%
Unrecaptured section 1250 gain	25%

ESTATE**Income Tax Rates for Estates and Trusts**

Tax rate	Estates and Trusts	
	If taxable income is	...the tax rate is
10%	\$0-\$2,900	10% of the taxable income
24%	\$2,900-\$10,550	\$290 plus 24% of the excess over \$2,900
35%	\$10,550-\$14,450	\$2,126 plus 35% of the excess over \$10,550
37%	\$14,450+	\$3,491 plus 37% of the excess over \$14,450

Capital gains

0%	\$0-\$3,000
15%	\$3,000-\$14,650
20%	\$14,650+

Estate and Gift Tax | Generation Skipping Transfer (GST) Tax

Estate tax exclusion/GST exemption	\$12,920,000
Annual gift tax exclusion	\$17,000

CHARITABLE**Deduction Limits for Charitable Gifts**

Property	Public charity deduction	Public charity AGI limit	Private foundation deduction	Private foundation deduction AGI limit
Cash	FMV	60%	FMV	30%
Ordinary income property	Cost basis	50%	Cost basis	30%
Long-term gain property	FMV	30%	FMV	20%
Personal property – same use	FMV	30%	Cost basis	20%
Personal property – not same use	Cost basis	50%	Cost basis	20%

FMV = fair market value

Charitable contributions that are not deductible due to AGI limitations can be carried forward for up to five years.

Consult a tax advisor on the complexities involving charitable contributions between public and private foundations.

Source: IRS

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RETIREMENT**Traditional & Roth Individual Retirement Accounts (IRAs)**

Traditional IRA and Roth IRA maximum contribution	\$6,500
Traditional IRA and Roth IRA catch-up contribution*	\$1,000
AGI phaseout range for IRA deduction (married, filing jointly)	\$116,000-\$136,000
AGI phaseout range for IRA deduction (single and head of household)	\$73,000-\$83,000
Roth IRA contribution AGI range (married, filing jointly)	\$218,000-\$228,000
Roth IRA contribution AGI range (single and head of household)	\$138,000-\$153,000

For those not covered by an employer retirement plan but whose spouse is covered by a qualified plan, the IRA deduction is phased out for MAGI between \$218,000-\$228,000 for 2023.

*Catch up contributions are available to taxpayers age 50 and older by 12/31/23

Employer Plan Contribution Limits

401(k), 403(b) regular contribution	\$22,500
Individual 401(k) total contribution (salary deferral + profit sharing)	\$66,000
Catch up contribution for all above plans*	\$7,500
SEP IRA, Money Purchase or Profit Sharing plan contribution	\$66,000
SIMPLE IRA regular contribution	\$15,500
SIMPLE IRA catch-up contribution*	\$3,500
Maximum annual compensation taken into account for contribution	\$330,000
Annual benefit limit under defined benefit plans	\$265,000

*Catch up contributions are available to taxpayers age 50 and older by 12/31/23

HEALTH SAVINGS ACCOUNTS

	Single coverage	Family coverage
Maximum regular contribution	\$3,850	\$7,750
Maximum catch-up contribution*	\$1,000	\$1,000
Minimum insurance policy deductible	\$1,500	\$3,000
Maximum policy out-of-pocket expense	\$7,500	\$15,000

*Catch up contributions are available to taxpayers age 50 and older by 12/31/23

BUSINESS INCOME**Qualified Business Income Phaseout Range**

For some business owners, the QBI deduction may be phased out as the owner's taxable income reaches this range, and may be fully phased out at the top of this range.

Filing status	Taxable income
Married, filing jointly	\$364,200-\$464,200
All others	\$182,100-\$232,100

SOCIAL SECURITY**Social Security Tax**

Maximum earnings subject to Social Security tax (OASDI)	\$160,200
Employee share of Social Security Tax	6.2%

STANDARD MILEAGE RATES

Purpose	Cents Per Mile
Business expense	65.5¢
Charitable giving	14¢
Medical or moving expense	22¢

Source: IRS

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