

DESK REFERENCE GUIDE

TAX YEAR 2024

How you prepare for tax season can influence how smoothly your season goes. Here are some important steps your office can take.

Preseason Checklist

Complete your continuing professional education. Visit DrakeCPE.com to learn about current-year tax law changes and earn CPE to renew your professional licenses.

Register for or renew your PTIN. A preparer tax identification number (PTIN) is required for all tax return preparers who are compensated for preparing or assisting in the preparation of a tax return. Visit IRS.gov/Tax-Professionals/PTIN-Requirements-for-Tax-Return-Preparers to register, renew, and learn more about PTINs.

Order tax preparation software. Look for a software package that includes everything you need and trust. Visit DrakeSoftware.com/Buy to purchase or DrakeSoftware.com/Renew to renew the Drake Tax® plan that is right for you.

Verify your office equipment meets system requirements. Verify that your hard drive has enough available space and your network is operational. Check the compatibility of your printers and scanners.

Install and test your tax software. Choose software that is delivered prior to tax season to give you plenty of time to test and become familiar with the program.

Purchase office supplies. Don't forget toner, paper, pens, and folders.

Test printers. Test any new setup features included in your software. Make sure barcodes are printed correctly and that you understand how to choose which forms are printed and how to print sets.

Send organizers or letters. Make sure clients bring the correct information to their appointments. Sending organizers is easier than ever with Drake Portals®, and producing professional letters takes just a few clicks in Drake Tax.

Educate yourself on tax law changes. This desk reference guide is a great introduction to tax law changes. Online research, the IRS website, and state tax departments are excellent resources as well.

Begin preseason scheduling. This will give you a jump-start on tax season and help early-filer clients schedule an appointment as soon as possible.

Train your staff. Make sure everyone understands their duties and is familiar with the software. Once tax season hits, you may not have time to review.

Update your filing system. If you are considering going paperless, make sure you are familiar with the steps you need to take. If you prefer paper, now is the time to shred any unnecessary paperwork to free up space.

Establish billing amounts. Configuring pricing in your software now will save you a lot of time later.

Determine incentives. If you plan to offer rebates or other incentives, make sure the process is well thought out. This will eliminate kinks in the midst of your busy season.

Sign up with a bank if you plan to offer bank products. Signing up now helps you avoid delays when it is time to process that first bank product. You may need to complete an application with your software vendor, too.

Get an EFIN. Make sure you have an active electronic filing identification number (EFIN) as soon as possible to avoid delays during tax season. To check the status or apply for an EFIN, access your e-Services account at IRS.gov/Tax-Professionals.

Drake Software® Resources

Drake Software offers a wealth of resources to ensure you have the tools and information needed to succeed every filing season. From online tutorials to integrated tax research products, the answers you need are at your fingertips.

Download written guides. All written guides can be conveniently accessed at Support.DrakeSoftware.com. Find the basics of installation, setup, and data entry in the Quick Start Guide and convenient keyboard shortcuts in the Quick Reference Guide.

Watch online tutorials and complete software training. Learn the basics of Drake Software products by reviewing our [Video Tutorial Library](#), or have expert instructors teach you how to get the most out of Drake Tax at [Classroom Training events](#).

Access award-winning tax research. Drake Tax comes integrated with TheTaxBook®, the tax research product that has received the highest rating from CPA Practice Advisor readers since 2013. Get a special discount by adding TheTaxBook WebLibrary to your Drake Tax order; current customers can [order from their Drake Software account](#).

Get help when you need it. Drake Software Support has [consistently been awarded the highest rating by customers in tax-industry surveys](#). Contact customer service representatives by phone, email, or chat, and access resources like product manuals and user forums from your User Account.

Read the latest tax news. Stay up to date with IRS announcements and industry developments, and download helpful infographics from [Taxing Subjects®](#), the [Drake Software blog](#).

Expand client services. Bank partners provide [financial service products](#) that help you serve the unbanked and provide payment options, like prepaid debit cards, direct deposit, and printed checks. Protection Plus® offers [ID theft restoration and audit assistance services](#).

All trademarks not owned by Drake Software, LLC ("Drake") that appear in this guide are the property of their respective owners, who are not affiliated with, connected to, or sponsored by, Drake.

Drake may receive fees from some third parties that provide offers to its customers. This compensation may affect what and how we communicate offers to you. Drake is not a party to any transactions you may choose to enter into with any third party, does not itself offer legal or financial advice, and disclaims any liability arising out of such transactions. Please consult with those third parties regarding their full terms and conditions.

DUE DILIGENCE REQUIREMENTS FOR TAX RETURN PREPARERS



Paid preparers who file returns with the Earned Income Tax Credit (EITC), (Additional) Child Tax Credit ((A) CTC), Credit for Other Dependents (ODC), or American Opportunity Tax Credit (AOTC), as well as Head of Household (HOH) returns—or claims for refunds for clients—must meet due diligence requirements. Those who fail to do so can be assessed a \$635 penalty per Rev. Proc. 2023-34 for each failure.

| Requirement | As a paid tax return preparer, you must: |
|-------------------------------|---|
| Knowledge | <ul style="list-style-type: none"> Have no knowledge that any information used to determine a client's eligibility for a refundable credit, or the amount, is incorrect. Be aware that all information given by the client, or known by you, is not absolute and that additional inquiries must be made if a reasonable and well-informed tax return preparer, knowledgeable in the law, would conclude the information is incomplete, inconsistent, or incorrect. Know the law, and use your knowledge of the law, to ensure you are asking your client the right questions to gather all relevant information. Document any additional questions you ask at the time of the interview, as well as your client's answers. <p>The Treasury Regulations give application examples of the knowledge requirement. Find the regulations and requirements for tax return preparer due diligence on the Government Printing Office site.</p> |
| Complete and Submit Form 8867 | <ul style="list-style-type: none"> Complete Form 8867, Paid Preparer's Due Diligence Checklist, for each EITC, CTC/ACTC/ODC, AOTC, or HOH claim you prepare. Complete the compliance checklist with due diligence requirements and information provided by your clients. Submit the completed Form 8867 to the IRS with every electronic return you prepare claiming the EITC, CTC/ACTC/ODC, or AOTC, as well as every HOH return. Attach the completed Form 8867 to every paper return or claim for refund you prepare for the EITC, CTC/ACTC/ODC, or AOTC, as well as HOH returns, and stress to your client the importance of sending it with the return or claim for refund to the IRS. |
| Keep Records | <ul style="list-style-type: none"> Keep a copy of Form 8867 and the worksheets used to determine credits. Keep a record of all additional questions you ask each client (and their answers) that would help you comply with due diligence requirements. Keep copies of any documents your client gives you that you used to determine eligibility for, or the amount of, the credits. Keep a record of how, when, and from whom you obtained the information used to complete the return. Keep your records in either paper or electronic format, and make sure you can produce these records if the IRS asks for them. Keep these records for three years from the latest date of the following that apply: <ul style="list-style-type: none"> The original due date of the tax return. (This does not include any extension of time for filing.) If you electronically file the return or claim for refund and sign it as the return preparer, the date the tax return or claim for refund is filed. If the return or claim for refund is not filed electronically and you sign it as the return preparer, the date you present the tax return or claim for refund to your client for signing. If you prepare part of the return or claim for refund and another preparer completes and signs the return or claim for refund, you must keep the part of the return you were responsible for completing for three years from the date you submit it to the signing tax return preparer. Keep these records in either paper or electronic format in a secure place to protect your client's personal information. |

2024 MEDICAL SAVINGS ACCOUNTS (MSA)

2024 Annual Deductible Range

| | |
|--------------------|---------------------|
| Self-only coverage | \$ 2,800 - \$ 4,150 |
| Family coverage | \$ 5,550 - \$ 8,350 |

Maximum Out-of-Pocket

| | |
|--------------------|-----------|
| Self-only coverage | \$ 5,550 |
| Family coverage | \$ 10,200 |

HEALTH SAVINGS ACCOUNT (HSA)

2024 Maximum Annual Contribution Limits

| | |
|--------------------|----------|
| Self-only coverage | \$ 4,150 |
| Family coverage | \$ 8,300 |

2024 Minimum Deductible

| | |
|--------------------|----------|
| Self-only coverage | \$ 1,600 |
| Family coverage | \$ 3,200 |

2024 Maximum Out-of-Pocket

| | |
|--------------------|-----------|
| Self-only coverage | \$ 8,050 |
| Family coverage | \$ 16,100 |

Catch-Up for Ages 55 - 65

| | |
|--------------------------|----------|
| Current and future years | \$ 1,000 |
|--------------------------|----------|

ADOPTION CREDIT

| | |
|---|-------------------------|
| Maximum credit for a child with special needs | \$ 16,810 |
| Other adoptions and qualified expenses | Up to \$ 16,810 |
| Modified adjusted gross income phaseout range | \$ 252,150 - \$ 292,150 |

BONUS DEPRECIATION

Assets Placed in Service

| | |
|------|-----|
| 2024 | 60% |
|------|-----|

SECTION 179 EXPENSE

| | |
|--------------------|--------------|
| Expense limit | \$ 1,220,000 |
| Phaseout threshold | \$ 3,050,000 |

FICA (SS & MEDICARE) WAGE BASE

| | |
|-----------------------------|------------|
| Social Security wage base | \$ 168,600 |
| Maximum Social Security tax | \$ 10,453 |
| Medicare wage base | No ceiling |
| Maximum Medicare wage tax | No ceiling |

STANDARD DEDUCTIONS

| If the taxpayer's filing status is... | Base Amount | Additional Amount if Blind or Over Age 65 |
|---------------------------------------|------------------------------------|---|
| Single | \$14,600 | \$1,950 |
| Married Filing Jointly | \$29,200 | \$1,550 |
| Married Filing Separately | \$14,600 | \$1,550 |
| Head of Household | \$21,900 | \$1,950 |
| Qualifying Surviving Spouse | \$29,200 | \$1,550 |
| Dependent of Another | \$1,300 (or earned income + \$450) | \$1,550 (\$1,950 if Single or HOH) |

MACRS RECOVERY PERIODS

| Type of Property | MACRS Recovery Period | |
|--|-----------------------------|---------------------------------|
| | General Depreciation System | Alternative Depreciation System |
| Computers and their peripheral equipment | 5 years | 5 years |
| Office machinery, such as: Scanners Calculators Copiers | 5 years | 6 years |
| Automobiles | 5 years | 5 years |
| Light trucks | 5 years | 5 years |
| Appliances, such as: Stoves Refrigerators | 5 years | 9 years |
| Carpets | 5 years | 9 years |
| Furniture used in rental property | 5 years | 9 years |
| Office furniture and equipment, such as: Desks Tables | 7 years | 10 years |
| Any property that does not have a class life and that has not been designated by law as being in any other class | 7 years | 12 years |
| Roads | 15 years | 20 years |
| Shrubby | 15 years | 20 years |
| Fences | 15 years | 20 years |
| Residential rental property (buildings or structures) and structural components such as furnaces, water pipes, venting, etc. | 27.5 years | 30 years |
| Nonresidential real property | 39 years | 40 years |

Additions and improvements, such as a new roof

The same recovery period as that of the property to which the addition or improvement is made, determined as if the property were placed in service at the same time as the addition or improvement.

See [IRS Publication 946](#) for more information.

Compliments of Drake Software

(828) 524-8020 - DrakeSoftware.com - Support@DrakeSoftware.com

2024 FILING REQUIREMENTS FOR MOST TAXPAYERS

| If the taxpayer's filing status is... | AND at the end of 2024 the taxpayer was... | THEN file a return if the taxpayer's gross income was at least... |
|---------------------------------------|---|---|
| Single | Under 65 65 or older | \$14,600 \$16,550 |
| Married Filing Jointly | Under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses) | \$29,200 \$30,750 \$32,300 |
| Married Filing Separately | Any age | \$ 5 |
| Head of Household | Under 65 65 or older | \$21,900 \$23,850 |
| Qualifying Surviving Spouse | Under 65 65 or older | \$29,200 \$30,750 |

2024 FILING REQUIREMENTS FOR DEPENDENTS

If either the taxpayer's parents or someone else can claim the taxpayer as a dependent, use the chart below to see if the taxpayer must file a return. In this chart, unearned income includes taxable interest, ordinary dividends, and capital gain distributions. Earned income includes wages and tips, as well as taxable scholarships and fellowship grants. Gross income is the total of unearned and earned income.

Single dependents. Was the taxpayer either age 65 or older or blind?

- ☐ **Yes.** The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income is more than \$3,250 (\$5,200 if 65 or older and blind).
 - The taxpayer's earned income is more than \$16,550 (\$18,500 if 65 or older and blind).
 - The taxpayer's gross income is more than the larger of:
 - \$3,250 (\$5,200 if 65 or older and blind)
 - The taxpayer's earned income (up to \$14,150), plus \$2,400 (\$4,350 if 65 or older and blind)
- ☐ **No.** The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income is more than \$1,300.
 - The taxpayer's earned income is more than \$14,600.
 - The taxpayer's gross income is more than the larger of:
 - \$1,300
 - The taxpayer's earned income (up to \$14,150), plus \$450



Married dependents. Was the taxpayer either age 65 or older or blind?

- ☐ **Yes.** The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income is more than \$2,850 (\$4,400 if 65 or older and blind).
 - The taxpayer's earned income is more than \$16,150 (\$17,700 if 65 or older and blind).
 - The taxpayer's gross income is at least \$5 and their spouse files a separate return and itemizes deductions.
 - The taxpayer's gross income is more than the larger of:
 - \$2,850 (\$4,400 if 65 or older and blind)
 - The taxpayer's earned income (up to \$14,150), plus \$1,550 (\$3,100 if 65 or older and blind)
- ☐ **No.** The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income is more than \$1,300.
 - The taxpayer's earned income is more than \$14,600.
 - The taxpayer's gross income is at least \$5 and their spouse files a separate return and itemizes deductions.
 - The taxpayer's gross income is more than the larger of:
 - \$1,300
 - The taxpayer's earned income (up to \$14,150), plus \$450

OTHER SITUATIONS WHEN THE TAXPAYER MUST FILE A 2024 RETURN

The taxpayer must file a return if any of the following conditions apply for 2024.

- The taxpayer owes any special taxes, including any of the following:
 - Alternative minimum tax
 - Additional tax on a qualified plan, including an individual retirement arrangement (IRA) or other tax-favored account—but if the taxpayer is filing a return only because they owe this tax, the taxpayer can file Form 5329 by itself
 - Household employment taxes—but if the taxpayer is filing a return only because they owe this tax, the taxpayer can file Schedule H by itself
 - Social Security and Medicare tax on tips the taxpayer did not report to their employer or on wages the taxpayer received from an employer who did not withhold these taxes
 - Repayment of the First-Time Homebuyer Credit (see instructions for Form 1040 (or 1040-SR), Schedule 2, Part II)
 - Write-in taxes, including uncollected Social Security and Medicare tax, Railroad Retirement Tax Act (RRTA) tax on tips the taxpayer reported to their employer, tax on group-term life insurance, or additional taxes on Health Savings Accounts (HSAs) (see instructions for Form 1040 (or 1040-SR), Schedule 2, line 17)
 - Recapture taxes (see instructions for Form 1040 (or 1040-SR), Schedule 2, Part II)
- The taxpayer (or their spouse, if filing jointly) received HSA, Archer Medical Savings Account (MSA), or Medicare Advantage MSA distributions.
- The taxpayer had net earnings from self-employment of at least \$400.
- The taxpayer had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes.
- The taxpayer had advance payments of the Premium Tax Credit (PTC) made for them, their spouse, or a dependent who enrolled in coverage through the Health Insurance Marketplace. The taxpayer should have received Form 1095-A showing the amount of the advance payments, if any.
- The taxpayer is required to file Form 965-A.

STUDENT LOAN INTEREST DEDUCTION

| | |
|---|------------------------|
| Maximum interest deduction | \$ 2,500 |
| Modified Adjusted Gross Income Phaseout: | |
| Married Filing Jointly | \$ 165,000 - \$195,000 |
| Single/HOH | \$ 80,000 - \$ 95,000 |

QUALIFYING CHILD FOR CHILD TAX CREDIT

| | |
|---|--|
| A qualifying child for the purposes of the Child Tax Credit must be all of the following: | |
| <ul style="list-style-type: none">• A U.S. citizen or resident alien• An SSN holder• Claimed as the taxpayer's dependent on Form 1040 or 1040-SR• Under age 17 at the end of 2024• The taxpayer's:<ul style="list-style-type: none">- Son, daughter, adopted child, stepchild, or descendant of any of them (for example, the taxpayer's grandchild)- Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, the taxpayer's niece or nephew) for whom the taxpayer cared for as they would their own child | |
| Adopted Child | |
| An adopted child is always treated as the taxpayer's own child. An adopted child includes a child placed with the taxpayer by an authorized placement agency for legal adoption, even if the adoption is not final. | |

CHILD TAX CREDIT

| | |
|--------------------|---------|
| Credit amount | \$2,000 |
| Refundable portion | \$1,700 |

QUALIFYING DEPENDENT FOR OTHER DEPENDENT CREDIT

| | |
|--|-------|
| A qualifying dependent for the Other Dependent Credit must be all of the following: | |
| <ul style="list-style-type: none">• A U.S. citizen, U.S. national, or U.S. resident alien• An SSN, ITIN, or ATIN holder• Claimed as the taxpayer's dependent on Form 1040 or 1040-SR | |
| Credit amount | \$500 |
| Refundable portion | \$ 0 |

DEPENDENT CARE CREDIT LIMITATIONS

To determine the amount of the credit, multiply the taxpayer's work-related expenses (after applying the earned income and dollar limits) by one of the following percentages. This percentage depends on the taxpayer's adjusted gross income shown on Form 1040, 1040-SR, or 1040-NR, line 11. The following table shows the percentage to use based on adjusted gross income. The maximum amount eligible to be multiplied by these percentages is \$3,000 per child or \$6,000 per return.

If the taxpayer's adjusted gross income is:

| Over | But Not Over | Percentage |
|-----------|--------------|------------|
| \$ 0 | \$ 15,000 | 35% |
| \$ 15,000 | \$ 17,000 | 34% |
| \$ 17,000 | \$ 19,000 | 33% |
| \$ 19,000 | \$ 21,000 | 32% |
| \$ 21,000 | \$ 23,000 | 31% |
| \$ 23,000 | \$ 25,000 | 30% |
| \$ 25,000 | \$ 27,000 | 29% |
| \$ 27,000 | \$ 29,000 | 28% |
| \$ 29,000 | \$ 31,000 | 27% |
| \$ 31,000 | \$ 33,000 | 26% |
| \$ 33,000 | \$ 35,000 | 25% |
| \$ 35,000 | \$ 37,000 | 24% |
| \$ 37,000 | \$ 39,000 | 23% |
| \$ 39,000 | \$ 41,000 | 22% |
| \$ 41,000 | \$ 43,000 | 21% |
| \$ 43,000 | No limit | 20% |

COMPARISON OF EDUCATION CREDITS

| Lifetime Learning | American Opportunity |
|--|--|
| Up to \$2,000 per return | Up to \$2,500; up to 40% is refundable |
| Maximum rate is 20% | 100% of first \$2,000, plus 25% of next \$2,000 |
| Available for all years of postsecondary education and for courses to acquire or improve job skills | Available for four years of college and ONLY if the student had not completed the first four years of postsecondary education before 2024 |
| Available for an unlimited number of years | Available ONLY for four tax years per eligible student (including any years the Hope Credit was claimed) |
| Student does not need to be pursuing a program leading to a degree or other recognized education credentials | Student must be pursuing a degree or other recognized education credentials |
| Available for one or more courses | Student must be enrolled at least half-time for at least one academic period that begins during 2024 (or the first three months of 2025 if the qualified expenses were paid in 2024) |
| Felony drug conviction rule does not apply | As of the end of 2024, the student had not been convicted of a felony for possession or distribution of a controlled substance |

EDUCATION CREDITS PHASEOUT

| Lifetime Learning Adjusted Gross Income | Refundable American Opportunity |
|---|---------------------------------|
| Married Filing Jointly | \$160,000 - \$180,000 |
| All other filing statuses | \$ 80,000 - \$ 90,000 |

SOCIAL SECURITY PAYBACK

| | |
|--|--|
| At full retirement age or older | No limit on earnings |
| Under full retirement age | \$1 in benefits deducted for every \$2 taxpayer earns above \$22,320 |
| In the year taxpayer reaches full retirement age | Benefits reduced by \$1 for every \$3 taxpayer earns above \$59,520 |

For people born from 1943-1954, the full retirement age is 66.
For people born from 1955 to 1960, the full retirement age increases by 2 months each year until it reaches age 67.
For people born in 1960 or later, the full retirement age is 67.

EARNED INCOME CREDIT

| Single, Married Filing Separately (if qualified), Head of Household, and Qualifying Surviving Spouse | Earned Income Ranges to Receive the Maximum EIC | | Maximum EIC | EIC Eliminated When Earned Income Reaches |
|--|---|---------------|-------------|---|
| | AT LEAST | BUT LESS THAN | | |
| No Children | \$ 8,260 | \$10,330 | \$ 632 | \$18,591 |
| One Child | \$12,390 | \$22,720 | \$4,213 | \$49,084 |
| Two Children | \$17,400 | \$22,720 | \$6,960 | \$55,768 |
| Three or More Children | \$17,400 | \$22,720 | \$7,830 | \$59,899 |

| Married Filing Jointly | Earned Income Ranges to Receive the Maximum EIC | | Maximum EIC | EIC Eliminated When Earned Income Reaches |
|------------------------|---|---------------|-------------|---|
| | AT LEAST | BUT LESS THAN | | |
| No Children | \$ 8,260 | \$17,250 | \$ 632 | \$25,511 |
| One Child | \$12,390 | \$29,640 | \$4,213 | \$56,004 |
| Two Children | \$17,400 | \$29,640 | \$6,960 | \$62,688 |
| Three or More Children | \$17,400 | \$29,640 | \$7,830 | \$66,819 |

The maximum amount of investment income the taxpayer can have and still receive EIC has increased to \$11,600.

EARNED INCOME CREDIT IN A NUTSHELL

First, the taxpayer must meet all rules in column "Part A." Second, the taxpayer must meet all rules in column "Part B" or "Part C," whichever applies.

| PART A Rules for Everyone | PART B Rules if the Taxpayer Has a Qualifying Child | PART C Rules if the Taxpayer Does Not Have a Qualifying Child |
|---|--|--|
| <ul style="list-style-type: none"> The taxpayer's adjusted gross income (AGI) must be less than: <ul style="list-style-type: none"> \$18,591 (\$25,511 if Married Filing Jointly) if the taxpayer does not have a qualifying child \$49,084 (\$56,004 if Married Filing Jointly) if the taxpayer has one qualifying child \$55,768 (\$62,688 if Married Filing Jointly) if the taxpayer has two qualifying children \$59,899 (\$66,819 if Married Filing Jointly) if the taxpayer has three or more qualifying children The taxpayer must have a valid Social Security Number. The taxpayer's filing status cannot be Married Filing Separately unless the taxpayer lived with a qualifying child for over half the year and meets the other qualifications in the in column "Part B." The taxpayer must be a U.S. citizen, full-year resident alien, or nonresident alien filing a Married Filing Jointly return. The taxpayer cannot file Form 2555 (relating to foreign earned income). The taxpayer's investment income must be \$11,600 or less. The taxpayer must have earned income. | <ul style="list-style-type: none"> The taxpayer's child must have a Social Security Number that is valid for employment and issued before the due date of the return (including extensions). The taxpayer's child must meet the relationship, age, and residency tests. The taxpayer's qualifying child cannot be used by more than one person to claim the EIC. The taxpayer cannot be a qualifying child of another taxpayer. If filing a Married Filing Separately return, the taxpayer must have either: <ul style="list-style-type: none"> Lived apart from their spouse for the last six months of the tax year Lived apart from their spouse by the end of the tax year and also be legally separated according to state law under a written separation agreement or a decree of separate maintenance | <ul style="list-style-type: none"> The taxpayer must be at least age 25 but under age 65. The taxpayer cannot be the dependent of another person. The taxpayer cannot be a qualifying child of another taxpayer. The taxpayer must have lived in the United States more than half of the year. |

EXEMPTION AMOUNTS

| | |
|------------------------|-------|
| Personal and Dependent | \$ 0 |
| Estate Amount* | \$600 |
| Simple Trust* | \$300 |
| Complex Trust* | \$100 |

* Exemption not allowed in final year.



FOREIGN EARNED INCOME

| | |
|------------------------|-----------|
| 2024 maximum exclusion | \$126,500 |
|------------------------|-----------|

GIFT TAX

| | |
|---|-----------|
| 2024 exclusion | \$ 18,000 |
| 2024 exclusion for gift to spouse who is not a U.S. citizen | \$185,000 |

401(K) CONTRIBUTION LIMITS

| | |
|---|-----------|
| 2024 maximum deferral | \$ 23,000 |
| 2024 catch-up and elective-deferral contributions | \$ 30,500 |

LONG-TERM CAPITAL GAINS AND QUALIFYING DIVIDENDS

| | | |
|---------------|-----------------------|-----|
| Single up to | \$ 47,025 | 0% |
| Single | \$ 47,026 - \$518,900 | 15% |
| Single over | \$ 518,900 | 20% |
| Married up to | \$ 94,050 | 0% |
| Married | \$ 94,051 - \$583,750 | 15% |
| Married over | \$ 583,750 | 20% |
| HOH up to | \$ 63,000 | 0% |
| HOH | \$ 63,001 - \$551,350 | 15% |
| HOH over | \$ 551,350 | 20% |
| MFS up to | \$ 47,025 | 0% |
| MFS | \$ 47,026 - \$291,850 | 15% |
| MFS over | \$ 291,850 | 20% |

SAVINGS BOND/HIGHER EDUCATION EXPENSE EXCLUSION

| | |
|--|------------------------|
| Modified adjusted gross income phaseout range: | |
| Married Filing Jointly | \$ 145,200 - \$175,200 |
| All other filing statuses | \$ 96,800 - \$111,800 |

LONG-TERM CARE PREMIUMS

| | |
|-------------------------------|---------|
| Maximum premium (per person): | |
| Age 40 or under | \$ 470 |
| Age 41 to 50 | \$ 880 |
| Age 51 to 60 | \$1,760 |
| Age 61 to 70 | \$4,710 |
| Age 71 or over | \$5,880 |

ALTERNATIVE MINIMUM TAX

First \$232,600 (\$116,300 Married Filing Separately) of alternative minimum taxable income (AMTI) 26%
Over \$232,600 of alternative minimum taxable income 28%

Exemptions:

| | |
|--|-----------|
| Married Filing Jointly or Qualifying Surviving Spouse..... | \$133,300 |
| Married Filing Separately..... | \$ 66,650 |
| Single or Head of Household..... | \$ 85,700 |
| Trusts and estates..... | \$ 29,900 |

Exemption Phaseout:

25% of AMTI amount exceeds:

| Filing Status | AMTI Begin Phaseout | AMTI Fully Phased Out |
|---------------------------------|---------------------|-----------------------|
| MFJ/Qualifying Surviving Spouse | \$1,218,700 | \$1,751,900 |
| Married Filing Separately | \$ 609,350 | \$ 875,950 |
| Single/HOH | \$ 609,350 | \$ 952,150 |
| Estates and Trusts | \$ 99,700 | \$ 219,300 |

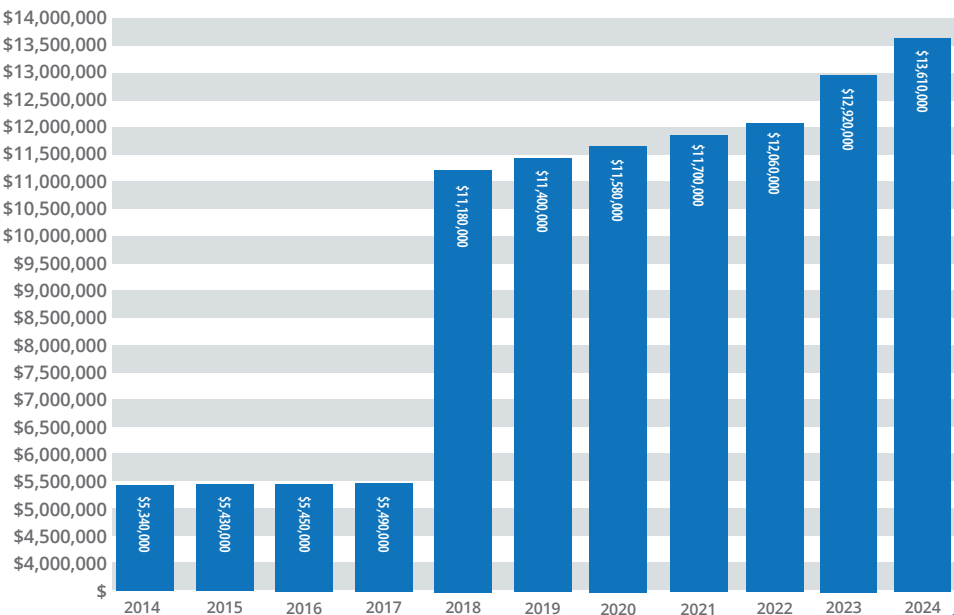
WHERE TO DEDUCT INTEREST EXPENSE

| If the taxpayer has... | THEN deduct it on... | For more information, go to... |
|---|---|--|
| Deductible student loan interest | Form 1040/1040-SR, Schedule 1, line 21 | Publication 970 |
| Deductible home mortgage interest and points reported on Form 1098 | Schedule A (Form 1040/1040-SR), line 8a | Publication 936 |
| Deductible home mortgage interest not reported on Form 1098 | Schedule A (Form 1040/1040-SR), line 8b | Publication 936 |
| Deductible points not reported on Form 1098 | Schedule A (Form 1040/1040-SR), line 8c | Publication 936 |
| Deductible investment interest (other than interest incurred to produce rents or royalties) | Schedule A (Form 1040/1040-SR), line 9 | Publication 550 |
| Deductible business interest (non-farm) | Schedule C (Form 1040/1040-SR) | Publication 535 |
| Deductible farm business interest | Schedule F (Form 1040/1040-SR) | Publications 225 and 535 |
| Deductible interest incurred to produce rents or royalties | Schedule E (Form 1040/1040-SR) | Publications 527 and 535 |
| Personal interest | Not deductible | |

2024 STANDARD MILEAGE RATES

Business mileage\$0.67/mile
Charitable mileage.....\$0.14/mile
Medical/moving mileage.....\$0.21/mile

FEDERAL ESTATE EXEMPTION



TAX RATE SCHEDULE Single

TAXABLE INCOME:

| Over | But Not Over |
|---------|--------------|
| \$ 0 | \$ 11,600 |
| 11,600 | 47,150 |
| 47,150 | 100,525 |
| 100,525 | 191,950 |
| 191,950 | 243,725 |
| 243,725 | 609,350 |
| 609,350 | - |

TAX:

| Tax | + | On Amt. Over |
|------------|-----|--------------|
| \$.00 | 10% | \$ 0 |
| 1,160 | 12% | 11,600 |
| 5,426 | 22% | 47,150 |
| 17,168.50 | 24% | 100,525 |
| 39,110.50 | 32% | 191,950 |
| 55,678.50 | 35% | 243,725 |
| 183,647.25 | 37% | 609,350 |

TAX RATE SCHEDULE Head of Household

TAXABLE INCOME:

| Over | But Not Over |
|---------|--------------|
| \$ 0 | \$ 16,550 |
| 16,550 | 63,100 |
| 63,100 | 100,500 |
| 100,500 | 191,950 |
| 191,950 | 243,700 |
| 243,700 | 609,350 |
| 609,350 | - |

TAX:

| Tax | + | On Amt. Over |
|------------|-----|--------------|
| \$.00 | 10% | \$ 0 |
| 1,655 | 12% | 16,550 |
| 7,241 | 22% | 63,100 |
| 15,469 | 24% | 100,500 |
| 37,417 | 32% | 191,950 |
| 53,977 | 35% | 243,700 |
| 181,954.50 | 37% | 609,350 |

TAX RATE SCHEDULE Married Filing Separately

TAXABLE INCOME:

| Over | But Not Over |
|---------|--------------|
| \$ 0 | \$ 11,600 |
| 11,600 | 47,150 |
| 47,150 | 100,525 |
| 100,525 | 191,950 |
| 191,950 | 243,725 |
| 243,725 | 365,600 |
| 365,600 | - |

TAX:

| Tax | + | On Amt. Over |
|-----------|-----|--------------|
| \$.00 | 10% | \$ 0 |
| 1,160 | 12% | 11,600 |
| 5,426 | 22% | 47,150 |
| 17,168.50 | 24% | 100,525 |
| 39,110.50 | 32% | 191,950 |
| 55,678.50 | 35% | 243,725 |
| 98,334.75 | 37% | 365,600 |

TAX RATE SCHEDULES

Married Filing Jointly and Qualifying Surviving Spouse

TAXABLE INCOME:

| Over | But Not Over |
|---------|--------------|
| \$ 0 | \$ 23,200 |
| 23,200 | 94,300 |
| 94,300 | 201,050 |
| 201,050 | 383,900 |
| 383,900 | 487,450 |
| 487,450 | 731,200 |
| 731,200 | - |

TAX:

| Tax | + | On Amt. Over |
|------------|-----|--------------|
| \$.00 | 10% | \$ 0 |
| 2,320 | 12% | 23,200 |
| 10,852 | 22% | 94,300 |
| 34,337 | 24% | 201,050 |
| 78,221 | 32% | 383,900 |
| 111,357 | 35% | 487,450 |
| 196,669.50 | 37% | 731,200 |

2024 CORPORATE TAX RATES

The federal corporate income tax rate is 21%.

2024 ESTATE AND TRUST TAX RATES

TAXABLE INCOME:

| Over | But Not Over |
|--------|--------------|
| \$ 0 | \$ 3,100 |
| 3,100 | 11,150 |
| 11,150 | 15,200 |
| 15,200 | - |

TAX:

| Tax | + | On Amt. Over |
|----------|-----|--------------|
| \$.00 | 10% | \$ 0 |
| 310 | 24% | 3,100 |
| 2,242 | 35% | 11,150 |
| 3,659.50 | 37% | 15,200 |

IRA CONTRIBUTION LIMITS

Regular Contributions

2024 maximum contribution\$7,000

Catch-Up Contributions for Taxpayers 50 and Older

2024 catch-up\$1,000

PHASEOUT OF IRA DEDUCTIONS

| Filing Status | AGI Begin Phaseout | AGI Fully Phased Out |
|---|---|---|
| Single (or Married Filing Separately and taxpayer lived apart from spouse for all of 2024) | \$ 77,000 | \$ 87,000 |
| Married Filing Jointly | \$123,000 (\$230,000 if spouse is not covered by a pension plan) | \$143,000 (\$240,000 if spouse is not covered by a pension plan) |
| Married Filing Separately | \$ 0 | \$ 10,000 |
| Head of Household | \$ 77,000 | \$ 87,000 |
| Qualifying Surviving Spouse | \$123,000 | \$143,000 |



DrakeCPE®

DrakeCPE provides online learning for tax professionals. Choose from a variety of continuing education courses in self-study and on-demand formats, including subjects on federal taxes, tax updates, and ethics, as well as the IRS Annual Federal Tax Refresher course. Visit DrakeCPE.com to get started.

Drake Community Forum

Join the Drake Software Community Forum to connect with fellow Drake professionals and experts. Get answers to your questions, stay up to date on the latest trends and practices, suggest program enhancements, and share your own insights and experiences. Log in to Community.DrakeSoftware.com using your Drake Software credentials to get started.

Drake Software Training

Drake offers a variety of individual and group training, staff development, and continuing education options, letting you focus on your business. Annual Drake Software Update Schools equip you for filing season with the latest tax and software updates, industry information, and networking opportunities. Offered both in-person and virtually each fall, this annual event can't be missed. Check out DrakeSoftware.com/Training.