



Down South

Accounting & Tax

2023 Tax Overview

This guide lists some of the changes most likely to affect our clients' 2023 tax returns. It is for information only; everyone's tax situation is unique, so talk with us before using this guide to make tax-related decisions.

Standard Deduction:

Filing Status	Deduction Amount
Married Filing Jointly; Qualifying Surviving Spouse	\$27,700
Head of Household	\$20,800
Single; Married Filing Separately	\$13,850
Age 65 and/or Blind Additional Amount – Unmarried	\$1,850
Age 65 and/or Blind Additional Amount – Married	\$1,500 per spouse

Child and Dependent Care Credit: The credit amount remains unchanged from last year and is not refundable. The credit is calculated based on the taxpayers' income and total qualifying child care expenses (up to \$3,000 for one child and \$6,000 for two or more children).

Child Tax Credit/Additional Child Tax Credit: The credit amount remains the same as last year. The credit is up to \$2,000 per qualifying child under the age of 17.

Cryptocurrency: Every taxpayer must answer this question: At any time during 2023, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)?

Retirement plan contribution limits: For tax year 2023, the IRA contribution limit increases to \$6,500 (with a \$1,000 catch-up for those 50 and older), and the limit for 401(k) plans is \$22,500 (with a \$7,500 catch-up for anyone 50 years old or older). Income limits for deductible traditional IRA and contributing to ROTH IRAs have been adjusted for inflation.

2023 Income Tax Brackets:

Rate	Joint Return	Individual Return
10%	\$0 - \$22,000	\$0 - \$11,000
12%	\$22,001 - \$89,450	\$11,001 - \$44,725
22%	\$89,451 - \$190,750	\$44,726 - \$95,375
24%	\$190,751 - \$364,200	\$95,376 - \$182,100
32%	\$364,201 - \$462,500	\$182,101 - \$231,250
35%	\$462,501 - \$693,750	\$231,251 - \$578,125
37%	Over \$693,750	Over \$578,125



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