

USE IRS ADJUSTED NUMBERS FOR 2014 TAX PLANNING

Certain tax numbers are adjusted by the IRS for inflation each year. Here are some of the 2014 tax numbers you'll need to use as you get started with this year's tax planning.

- The standard mileage rate for business driving decreases to 56¢ per mile for 2014. The rate for medical and moving mileage decreases from 24¢ per mile to 23.5¢ per mile. The general rate for charitable driving remains at 14¢ per mile.
- The maximum earnings subject to social security tax in 2014 increases to \$117,000. The earnings limit for those under full retirement age is \$15,480. For those at full retirement age, there is no earnings limit.
- The “nanny tax” threshold increases to \$1,900 for 2014. If you pay household workers more than this amount during the year, you're responsible for payroll taxes.
- The “kiddie tax” threshold for 2014 remains unchanged at \$2,000. If your child under age 19 (under age 24 for students) has more than \$2,000 of unearned income this year (e.g., dividends and interest income), the excess could be taxed at your highest rate.
- The maximum individual retirement account (IRA) contribution you can make in 2014 remains at \$5,500 if you're under age 50 and at \$6,500 if you are 50 or older.
- The maximum amount of wages employees can put into a 401(k) plan remains unchanged at \$17,500. The 2014 maximum allowed for SIMPLE plans remains at \$12,000. If you are 50 or older, you can contribute up to \$23,000 to a 401(k) and \$14,500 to a SIMPLE plan.
- For 2014, the maximum amount that can be contributed to a health savings account (HSA) increases to \$3,300 for individuals and \$6,550 for families. Those 55 and older can contribute an additional \$1,000.
- The alternative minimum tax exemption for 2014 is \$52,800 for singles and \$82,100 for couples filing joint returns.