

Trip Points of Higher Taxes or costs

Trip points that result in greater taxes (costs). 2018

Married filing jointly

From \$77,400 taxable income to \$400,000 taxable income*

For tax payers over age 65, Taxable Income is \$26,600 less than MAGI.

Taxable Income	MAGI	Effect at trip point
\$77,400		Marginal tax rate increases 10 percentage points to 22%
	\$170,000	Medicare Part B premiums increase by \$640 per year per person
\$165,000		Marginal tax rate increases 2 percentage points to 24%
	\$214,000	Medicare Part B increases by another \$960 per year
	\$250,000	Capital gains taxes increase by 3.8 percentage points
	\$267,000	Medicare Part B increases by another \$960 per year
\$315,000		Marginal tax rate increases 8 percentage points to 32%
	\$320,000	Medicare Part B increases by another \$960 per year
\$400,000		Marginal tax rate increases 3 percentage points to 35%

Trip points that result in greater taxes (costs). 2018

Single Filer

From \$38,700 taxable income to \$200,000 taxable income*

For single tax payers over age 65, Taxable Income is \$13,300 less than MAGI.

Taxable Income	MAGI	Effect at trip point
\$38,700		Marginal tax rate increases 10 percentage points to 22%
	\$85,000	Medicare Part B premiums increase by \$640 per year per person
\$82,500		Marginal tax rate increases 2 percentage points to 24%
	\$107,000	Medicare Part B increases by another \$960 per year
	\$133,500	Medicare Part B increases by another \$960 per year
\$157,500		Marginal tax rate increases 8 percentage points to 32%
	\$160,000	Medicare Part B increases by another \$960 per year
	\$200,000	Capital gains taxes increase by 3.8 percentage points
\$200,000		Marginal tax rate increases 3 percentage points to 35%

* I ignore the tax bracket \$0 to \$19,050 and the two brackets above \$400,000

The dollar amounts for the brackets will adjust for inflation each year.

Taxable income is Adjusted Gross Income less deductions; the

Standard Deduction for 2018 for joint married over age 65 is \$26,600.

MAGI is Modified Adjusted Gross Income. It is Adjusted Gross Income with certain deductions from income added back. For most all retirees AGI = MAGI.