



I. Executive Summary

- ◇ On November 9, the IRS released its annual inflation adjustments for tax year 2024 covering updates to more than 63 tax provisions. The 2024 adjustments will affect tax returns filed in 2025.
- ◇ On December 31, 2025, a significant amount of the individual tax provisions passed under the 2017 Tax Cuts and Jobs Act (“TCJA”) will sunset, including: the TCJA’s lower tax rates, the 60% AGI threshold for cash gifts, the doubling of the Unified Gift and Estate Tax Credit, the elimination of the \$10,000 state and local tax cap, the return of the 2% miscellaneous tax deduction, and more. Whittier Trust’s Tax Department can assist with modeling these upcoming changes.
- ◇ 2023 tax year filings are due in 2024; certain tax due dates fall on a weekend or holiday. A list of 2024 federal tax due dates can be found below.

II. 2024 Federal Tax Provision Updates

By statute, certain items in the tax code are indexed for inflation. This year, the IRS adjusted these items by approximately 5.4%. On November 9, the IRS released Revenue Procedure 2023-33, which covered updates to 63 tax provisions. These updates will affect tax returns filed in 2025. Highlighted provisions include:

- ◇ **Tax Rate Tables** – The marginal tax rates are adjusted. After December 31, 2025, the current TCJA tax rates will sunset and will be replaced with the marginal tax rates as they existed in 2017 adjusted for inflation. The updated tax rates will result in more tax owed for most taxpayers.
 - **IRC § 1(j)(2)(A):** For Married Individuals Filing Joint Returns and Surviving Spouses:

Taxable Income	Taxes Owed
\$23,200 or less	10% of the taxable income
\$23,000 to \$94,300	\$2,320 plus 12% of amount over \$22,000
\$94,300 to \$201,050	\$10,852 plus 22% of amount over \$94,300
\$201,050 to \$383,900	\$34,337 plus 24% of amount over \$190,750
\$383,900 to \$487,450	\$78,221 plus 32% of amount over \$383,900
\$487,450 to \$731,200	\$111,357 plus 35% of amount over \$487,450
\$731,200 or more	\$196,669.50 plus 37% of amount over \$731,200

- **IRC § 1(j)(2)(B):** For Heads of Households:

Taxable Income	Taxes Owed
\$16,550 or less	10% of the taxable income
\$16,550 to \$63,100	\$1,655 plus 12% of amount over \$16,550
\$63,100 to \$100,500	\$7,241 plus 22% of amount over \$63,100
\$100,500 to \$191,950	\$15,469 plus 24% of amount over \$100,500
\$191,950 to \$243,700	\$37,417 plus 32% of amount over \$191,150
\$243,700 to \$609,350	\$53,977 plus 35% of amount over \$243,700
\$609,350 or more	\$181,954.50 plus 37% of amount over \$609,350

- **IRC § 1(j)(2)(C):** For Unmarried Individuals (other than Surviving Spouses and Heads of Households):

Taxable Income	Taxes Owed
\$11,600 or less	10% of the taxable income
\$11,600 to \$47,150	\$1,160 plus 12% of amount over \$11,600
\$47,150 to \$100,525	\$5,426 plus 22% of amount over \$47,150
\$100,525 to \$191,950	\$17,168.50 plus 24% of amount over \$100,525
\$191,950 to \$243,725	\$39,110.50 plus 32% of amount over \$191,950
\$243,725 to \$609,350	\$55,678.50 plus 35% of amount over \$243,725
\$609,350 or more	\$183,647.25 plus 37% of amount over \$609,350

- **IRC § 1(j)(2)(E):** For Estates and Trusts:

Taxable Income	Taxes Owed
\$3,100 or less	10% of the taxable income
\$3,100 to \$11,150	\$310 plus 24% of amount over \$3,100
\$11,150 to \$15,200	\$2,242 plus 35% of amount over \$11,150
\$15,200 or more	\$3,659.50 plus 37% of amount over \$15,200

- ◇ **Maximum Capital Gains Rate – IRC § 1(h), § 1(j)(5):** The capital gains tax rates are adjusted. The tax rate for capital gains is based on taxable income as it appears on line 15 of Form 1040. Taxpayers with taxable income under the Maximum Zero Rate amount will owe no income tax on capital gains under that threshold. Taxpayers with taxable income above the Maximum 15% Rate will owe 20% on their capital gains even if their capital gains are less than the Maximum 15% Rate Threshold. In other words, a taxpayer with \$1,000,000 of taxable income and \$20,000 of capital gains will pay at the 20% rate, and not the 0% rate.

Filing Status	Maximum Zero Rate Amount (Above this is 15% Rate)	Maximum 15% Rate Amount (Above this is 20% Rate)
Married Individuals Filing Joint Returns	\$94,050	\$583,750
Heads of Household	\$63,000	\$551,350
Unmarried Individuals	\$47,025	\$551,350
Estates and Trusts	\$3,150	\$15,450

- ◇ **Child Tax Credit – IRC § 24(d)(1)(A):** The Child Tax Credit helps families with qualifying children get a tax break. To qualify for the full credit for each qualifying child a taxpayer’s adjusted gross income must not exceed \$200,000 (\$400,000 if filing a joint return). The refundable tax credit is \$1,700.
- ◇ **Alternative Minimum Tax:** Alternative minimum tax thresholds are adjusted.
 - **IRC § 55(d)(1):** The exemption amounts are adjusted. Under these amounts, no AMT is calculated.

Filing Status	Amount
Married Individuals Filing Joint Returns	\$133,300
Unmarried Individuals	\$85,700
Unmarried Individuals (Other than Surviving Spouses)	\$29,900

- **IRC § 55(b)(1):** The excess taxable income above the thresholds below are taxed at 28%.

Filing Status	Amount
Married Individuals Filing Separate Returns	\$116,300
All Other Taxpayers	\$232,600

- **IRC § 55(d)(2):** The amounts used to determine the phaseout of the exemption are adjusted.

Filing Status	Threshold Phaseout Amount	Complete Phaseout Amount
Married Individuals Filing Joint Returns	\$1,218,700	\$1,751,900
Unmarried Individuals	\$609,350	\$952,150
Estates and Trusts	\$99,700	\$219,300

- ◇ **Standard Deduction – IRC § 63(c)(2):** The standard deduction is increased. For taxpayers that do not itemize, they will see a larger deduction on their 2024 tax returns.

Filing Status	Standard Deduction
Married Individuals Filing Joint Returns and Surviving Spouses	\$29,200 up from \$27,700
Heads of Households	\$21,900 up from \$20,800
Unmarried Individuals (Other than Surviving Spouses)	\$14,600 up from \$13,850

- **IRC § 63(c)(5):** The standard deduction amount for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$1,300 up from \$1,250, or (2) the sum of \$450 up from \$400 and the individual's earned income.
- ◇ **Adoption Assistance Programs:** The thresholds have been adjusted.
 - **IRC § 137(a)(2):** The amount that can be excluded from an employee's gross income for the adoption of a child with special needs is \$16,810 up from \$15,950.
 - **IRC § 137(b)(1):** The maximum amount that can be excluded from an employee's gross income for the amounts paid or expenses incurred by an employer for qualified adoption expenses furnished pursuant to an adoption assistance program for adoptions by the employee is \$16,810 up from \$15,950. The phase out for the deduction starts at modified adjusted gross income amounts of \$252,150 and terminates at \$292,150.
- ◇ **Qualified Business Income – IRC § 199A(e)(2):** The threshold amounts and phase-in range amount for qualified business income are adjusted.

Filing Status	Threshold Amount	Phase-In Range Amount
Married Individuals Filing Joint Returns	\$383,900	\$483,900
All Other Returns	\$191,950	\$241,950

- ◇ **Interest on Education Loans – IRC § 221(b)(2)(B):** The maximum deduction is \$2,500 for interest paid on qualified education loans. The phase-out period begins at modified adjusted gross income in excess of \$80,000 (\$165,000 for joint returns) and terminates at \$95,000 or more (\$195,000 for joint returns).
- ◇ **Threshold for Excess Business Loss – IRC § 461(l)(3)(A)(ii)(II):** The amount for determining a taxpayer's excess business loss is \$305,000 (\$610,000 for joint returns).

- ◇ **Expatriation to Avoid Tax – IRC § 877A(g)(1)(A):** An individual is a covered expatriate if the individual’s “average annual net income tax” under IRC § 877(a)(2)(A) for the five taxable years ending before the expatriation date is more than \$201,000.
- ◇ **Foreign Earned Income Exclusion – IRC § 911(b)(2)(D)(i):** The foreign income exclusion is \$126,500.
- ◇ **Unified Credit Against Estate Tax – IRC § 2010:** The basic exclusion amount is increased for individuals.

Individual	\$13,610,000 up from \$12,920,000
Married Couples	\$27,220,000 up from \$25,840,000

- ◇ **Valuation of Qualified Real Property in Decedent’s Gross Estate – IRC § 2032A:** For an estate of a decedent dying in 2024, if the executor elects to use the special use valuation method for qualified real property, the aggregate decrease in the value of qualified real property resulting from election cannot exceed \$1,390,000.
- ◇ **Annual Exclusion for Gifts – IRC §§ 2503; 2523:** The annual exclusion for gifts is increased.

Individual	\$18,000 up from \$17,000
Married Couples	\$36,000 up from \$34,000
Foreign Spousal Gifts	\$185,000 up from \$175,000

III. Important Federal Tax Due Dates in 2024

2023 federal tax returns are due in 2024. The following list summarizes some key federal tax due dates. Where the original due date falls on a weekend or holiday, the actual due date shall be the following Monday or day.

Federal Tax Due Dates:

- ◇ **Friday, March 15, 2024:**
 - Partnership Return – Form 1065
 - S-Corporation Return – Form 1120S (calendar year filer)
 - Foreign Persons Annual Withholding Return – Form 1042
- ◇ **Monday, April 15, 2024:**
 - Fiduciary Return – Form 1041
 - Individual Return – Form 1040
 - Corporate Return – Form 1120 (calendar year filer)
 - Gift Tax Return – Form 709
- ◇ **Wednesday, May 15, 2024:**
 - Exempt Organization Return – Form 990 (calendar year filer)

Federal Extended Tax Return Due Dates:

- ◇ **Monday, September 16, 2024 (September 15 falls on a Sunday):**
 - Foreign Persons Annual Withholding Return – Form 1042
 - Partnership Return – Form 1065
 - S-Corporation Return – Form 1120S (calendar year filer)
- ◇ **Monday, September 30, 2024:**
 - Fiduciary Return – Form 1041
- ◇ **Tuesday, October 15, 2024:**
 - Individual Return – Form 1040
 - Gift Tax Return – Form 709
 - Corporate Return – Form 1120 (calendar year filer)
- ◇ **Friday, November 15, 2024:**
 - Exempt Organization Return – Form 990 (calendar year filer)

Federal Estimated Tax Due Dates for Individuals:

- ◇ **First Quarter Estimated Payment: Monday, April 15, 2024**
 - Whittier Trust Processing Due Date: Wednesday, April 10, 2024 at noon.
- ◇ **Second Quarter Estimated Payment: Monday, June 17, 2024 (June 15 falls on a Saturday)**
 - Whittier Trust Processing Due Date: Wednesday, June 12, 2024 at noon.
- ◇ **Third Quarter Estimated Payment: Monday, September 16, 2024**
 - Whittier Trust Processing Due Date: Wednesday, September 11, 2024 at noon.
- ◇ **Fourth Quarter Payment: Wednesday, January 15, 2025**
 - Whittier Trust Processing Due Date: Thursday, January 9, 2025 at noon.

Federal Estimated Tax Due Dates for Calendar or Fiscal Year Organization (Form 990-PF):

- ◇ **First Quarter Estimated Payment: Monday, April 15, 2024**
 - Whittier Trust Processing Due Date: Wednesday, April 10, 2024 at noon.
- ◇ **First Quarter Estimated Payment for Private Foundations: Wednesday, May 15, 2024**
 - Whittier Trust Processing Due Date: Thursday, May 9, 2024 at noon.
- ◇ **Second Quarter Estimated Payment: Monday, June 17, 2024 (June 15 falls on a Saturday):**
 - Whittier Trust Processing Due Date: Wednesday, June 12, 2024 at noon.

- ◇ **Third Quarter Estimated Payment: Monday, September 16, 2024**
 - Whittier Trust Processing Due Date: Wednesday, September 11, 2024 at noon.
- ◇ **Fourth Quarter Payment: Monday, December 16, 2024 (December 15 falls on a Sunday)**
 - Whittier Trust Processing Due Date: Wednesday, December 11, 2024 at noon.

Federal Estimated Tax Due Dates for Calendar Year Organization (Form 990-T):

- ◇ **First Quarter Estimated Payment: Monday, April 15, 2024**
 - Whittier Trust Processing Due Date: Wednesday, April 10, 2024 at noon.
- ◇ **Second Quarter Estimated Payment: Monday, June 17, 2024 (June 15 falls on a Saturday):**
 - Whittier Trust Processing Due Date: Wednesday, June 12, 2024 at noon.
- ◇ **Third Quarter Estimated Payment: Monday, September 16, 2024**
 - Whittier Trust Processing Due Date: Wednesday, September 11, 2024 at noon.
- ◇ **Fourth Quarter Payment: Monday, December 16, 2024 (December 15 falls on a Sunday)**
 - Whittier Trust Processing Due Date: Wednesday, December 11, 2024 at noon.

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