**8512. Are personal and dependency exemptions for high-income taxpayers subject to being phased out?**

Yes. Beginning in 2013, the personal and dependency exemptions of taxpayers with income over certain defined threshold levels are subject to being reduced and potentially phased out completely. The dollar amount of personal and dependency exemptions of taxpayers with adjusted gross income above the threshold levels (adjusted annually for inflation[[1]](#endnote-1)) is reduced by 2% for every $2,500 (or fraction thereof; $1,250 in the case of a married individual filing separately). Depending upon filing status, at certain adjusted gross income levels, the exemptions are phased out to zero.

For 2014, the following chart illustrates the range of adjusted gross income in which the exemptions are gradually reduced until they are totally phased out:

|  |  |  |
| --- | --- | --- |
| Filing Status | AGI Threshold At Which Phase Out Begins | AGI Amount At Which Exemptions are Completely Phased Out |
| Married Joint and Surviving Spouse | $305.050 | $427,550 |
| Head of Household | $279,650 | $402,150 |
| Unmarried Individuals | $254,200 | $376,700 |
| Married Separate | $152,525 | $213,775[[2]](#endnote-2) |

1. IRC Secs. 151(d)(3), 151(d)(4); Rev. Proc. 2013-35, 2013-47 IRB 537. [↑](#endnote-ref-1)
2. Rev. Proc. 2013-35, 2013-47 IRB 537. [↑](#endnote-ref-2)