

| 2016 Income Tax Rate | | | |
|--|--------------|-----------------|--------------------|
| If taxable income is over | But not over | The tax is | Of the amount over |
| Single | | | |
| \$0 | 9,275 | 10% | \$0 |
| \$9,276 | 37,650 | 927 + 15% | \$9,275 |
| \$37,651 | 91,150 | 5,184 + 25% | \$37,650 |
| \$91,151 | 190,150 | 18,559 + 28% | \$91,150 |
| \$190,151 | 413,350 | 46,279 + 33% | \$190,150 |
| \$413,351 | 415,050 | 119,935 + 35% | \$413,350 |
| \$415,051 | | 120,530 + 39.6% | \$415,050 |
| Married Filing Jointly (MFJ) | | | |
| \$0 | 18,550 | + 10% | \$0 |
| \$18,551 | 75,300 | 1,855 + 15% | \$18,550 |
| \$75,301 | 151,900 | 10,368 + 25% | \$75,300 |
| \$151,901 | 231,450 | 29,518 + 28% | \$151,900 |
| \$231,451 | 413,350 | 51,792 + 33% | \$231,450 |
| \$413,351 | 466,950 | 111,819 + 35% | \$413,350 |
| \$466,950 | | 130,579 + 39.6% | \$466,950 |
| Married Filing Separately (MFS) | | | |
| \$0 | 9,275 | + 10% | \$0 |
| \$9,276 | 37,650 | 928 + 15% | \$9,275 |
| \$37,651 | 75,950 | 5,184 + 25% | \$37,650 |
| \$75,951 | 115,725 | 14,759 + 28% | \$75,950 |
| \$115,726 | 206,675 | 25,896 + 33% | \$115,725 |
| \$206,676 | 233,475 | 55,909 + 35% | \$206,675 |
| \$233,476 | | 65,289 + 39.6% | \$233,475 |
| Head of House (HoH) | | | |
| \$0 | 13,250 | + 10% | \$0 |
| \$13,251 | 50,400 | 1,325 + 15% | \$13,250 |
| \$50,401 | 130,150 | 6,898 + 25% | \$50,400 |
| \$130,151 | 210,800 | 26,835 + 28% | \$130,150 |
| \$210,801 | 413,350 | 49,417 + 33% | \$210,800 |
| \$413,351 | 441,000 | 116,259 + 35% | \$413,350 |
| \$441,001 | | 125,936 + 39.6% | \$441,000 |
| Estate & Trust | | | |
| | 2,550 | + 15% | \$0 |
| \$2,551 | 5,950 | 383 + 25% | \$2,550 |
| \$5,951 | 9,050 | 1,233 + 28% | \$5,950 |
| \$9,050 | 12,400 | 2,101 + 33% | \$9,050 |
| \$12,401 | | 3,206 + 39.6% | \$12,400 |
| Corporations | | | |
| \$0 | 50,000 | + 15% | \$0 |
| 50,000 | 75,000 | 7,500 + 25% | 50,000 |
| 75,000 | 100,000 | 13,750 + 34% | 75,000 |
| 100,000 | 335,000 | 22,250 + 39% | 100,000 |
| 335,000 | 10,000,000 | 113,900 + 34% | 335,000 |
| 10,000,000 | 15,000,000 | 3,400,000 + 35% | 10,000,000 |
| 15,000,000 | 18,333,333 | 5,150,000 + 38% | 15,000,000 |
| 18,333,333 | | 6,416,667 + 35% | 18,333,333 |

Professional Corporations: Flat 35%

| 2017 Income Tax Rate | | | |
|--|--------------|-----------------|--------------------|
| If taxable income is over | But not over | The tax is | Of the amount over |
| Single | | | |
| \$0 | 9,325 | 10% | \$0 |
| \$9,326 | 37,950 | 933 + 15% | \$9,325 |
| \$37,951 | 91,900 | 5,226 + 25% | \$37,950 |
| \$91,901 | 191,650 | 18,714 + 28% | \$91,900 |
| \$191,651 | 416,700 | 46,644 + 33% | \$191,650 |
| \$413,701 | 418,400 | 120,910 + 35% | \$416,700 |
| \$418,401 | | 121,505 + 39.6% | \$418,400 |
| Married Filing Jointly (MFJ) | | | |
| \$0 | 18,650 | + 10% | \$0 |
| \$18,651 | 75,900 | 1,865 + 15% | \$18,650 |
| \$75,901 | 153,100 | 10,453 + 25% | \$75,900 |
| \$153,101 | 233,350 | 29,753 + 28% | \$153,100 |
| \$233,351 | 416,700 | 52,223 + 33% | \$233,350 |
| \$416,701 | 470,700 | 112,728 + 35% | \$416,700 |
| \$470,701 | | 131,629 + 39.6% | \$470,700 |
| Married Filing Separately (MFS) | | | |
| \$0 | 9,325 | 10% | \$0 |
| \$9,326 | 37,950 | 933 + 15% | \$9,325 |
| \$37,951 | 91,900 | 5,226 + 25% | \$37,950 |
| \$91,901 | 191,650 | 18,714 + 28% | \$91,900 |
| \$191,651 | 416,700 | 46,644 + 33% | \$191,650 |
| \$413,701 | 418,400 | 120,910 + 35% | \$416,700 |
| \$418,401 | | 121,505 + 39.6% | \$418,400 |
| Head of House (HoH) | | | |
| \$0 | 13,350 | + 10% | \$0 |
| \$13,351 | 50,800 | 1,335 + 15% | \$13,350 |
| \$50,801 | 131,200 | 6,953 + 25% | \$50,800 |
| \$131,201 | 212,500 | 27,052 + 28% | \$131,200 |
| \$212,501 | 416,700 | 49,817 + 33% | \$212,500 |
| \$416,701 | 444,500 | 117,203 + 35% | \$416,700 |
| \$444,501 | | 126,950 + 39.6% | \$444,500 |
| Estate & Trust | | | |
| | 2,550 | + 15% | \$0 |
| \$2,551 | 5,950 | 383 + 25% | \$2,550 |
| \$5,951 | 9,050 | 1,233 + 28% | \$5,950 |
| \$9,050 | 12,400 | 2,101 + 33% | \$9,050 |
| \$12,401 | | 3,206 + 39.6% | \$12,400 |
| Corporations | | | |
| \$0 | 50,000 | + 15% | \$0 |
| 50,000 | 75,000 | 7,500 + 25% | 50,000 |
| 75,000 | 100,000 | 13,750 + 34% | 75,000 |
| 100,000 | 335,000 | 22,250 + 39% | 100,000 |
| 335,000 | 10,000,000 | 113,900 + 34% | 335,000 |
| 10,000,000 | 15,000,000 | 3,400,000 + 35% | 10,000,000 |
| 15,000,000 | 18,333,333 | 5,150,000 + 38% | 15,000,000 |
| 18,333,333 | | 6,416,667 + 35% | 18,333,333 |

Professional Corporations: Flat 35%

DISCLAIMER

The information provided here is intended to be a limited reference guide and should not be considered or construed as legal, accounting (tax), or financial planning advice. Although every effort has been made to assure the integrity of this material, no representation or warranty is given as to accuracy or completeness. Such tax information is also subject to change at any time. We encourage you to consult with legal and accounting professionals (as appropriate) before relying on this information as a tax strategy. Further specific information can be obtained at the following web sites: irs.gov and tax.newmexico.gov.

Dated: January 8, 2017

| Personal Exemptions | | |
|-------------------------|-----------------|-----------------|
| | 2016 | 2017 |
| Exemption | \$4,050 | \$4,050 |
| AGI Limitations: | | |
| MFJ (MFS is 1/2) | 311,300-433,800 | 311,300-433,800 |
| Single | 259,400-381,900 | 259,400-381,900 |
| HoH | 285,350-407,850 | |

| Standard Deduction | | |
|-------------------------------------|----------|----------|
| | 2015 | 2017 |
| Married Filing Jointly (MFS is 1/2) | \$12,600 | \$12,700 |
| Single | \$6,300 | \$6,350 |
| Head of Household (HoH) | \$9,300 | \$9,350 |

| Additional Deduction for Elderly and Blind | | |
|--|---------|---------|
| | 2016 | 2017 |
| Single | \$1,550 | \$1,550 |
| Married Filing Jointly (MFS is 1/2) | \$1,250 | \$1,250 |

| Itemized Deductions* | | |
|---|---------|---------|
| | 2015 | 2016 |
| <i>Reduced by 3% of taxpayers' AGI > threshold</i> | | |
| MFJ (MFS is 1/2) | 311,300 | 318,800 |
| Single | 259,400 | 261,500 |
| HoH | 284,050 | 287,650 |

| Capital Gains | | | |
|-----------------------------------|------------------------------|------------------------------|---------------------------|
| | 2016 | | 2017 |
| Type of gain | | | |
| Qualified Dividends. | 15% (0% for 0%-15% Brackets) | 15% (0% for 0%-15% Brackets) | |
| Net Short-term (Less than 1 Yr) | Ordinary Income Rates | Ordinary Income Rates | |
| | Tax Bracket | Capital Gains Rate | Capital Gains Rate |
| Long-term (More than 1 year) | 0-15% | 0% | 0% |
| | 25%-35% | 15% | 15% |
| | 39.60% | 20% | 20% |
| Unrecaptured Sec. 1250 Gains | | 25% | 25% |
| Collectibles & Section 1202 Gains | | 28% | 28% |

| Surtax - Lesser of 1) Net Investment Income or 2) Excess of MAGI | | | |
|--|-------------------|---------------------|---------------------|
| | Over Modified AGI | 2016 | 2017 |
| MFJ | \$250,000 | 3.8% on MAGI Excess | 3.8% on MAGI Excess |
| Single | \$200,000 | 3.8% on MAGI Excess | 3.8% on MAGI Excess |
| MFS | \$125,000 | 3.8% on MAGI Excess | 3.8% on MAGI Excess |

| Kiddie Tax | | | |
|--|---------|---------|---------------|
| | 2016 | 2017 | Tax |
| <i>Unearned inc. > 19 (< 24 and Full-Time student)</i> | | | |
| First | \$1,050 | \$1,050 | No Tax |
| Next | \$1,050 | \$1,050 | 10% Tax |
| Amount over | \$2,100 | \$2,100 | Parent's Rate |

| AMT Exemption | | | | |
|---------------|-----------|-------------------|-----------|-------------------|
| | 2016 | | 2017 | |
| | Exemption | Phase-Out | Exemption | Phase-out |
| MFJ | \$83,800 | \$158,900-492,500 | \$84,500 | \$159,700-492,500 |
| Single | \$53,900 | \$119,200-333,600 | \$54,300 | \$119,700-333,600 |
| MFS | \$41,900 | \$79,450-246,250 | \$42,250 | \$79,850-246,250 |

| Retirement Saving Contributions Credit | | | | | | |
|--|---------|---------|---------|-------|-------|---------|
| | 2016 | | | 2017 | | |
| AGI Limits | 50% | 20% | 10% | 50% | 20% | 10% |
| MFJ | \$36.5k | \$39.5k | \$61k | \$37k | \$40k | \$61.5k |
| HoH | 27.3k | \$29.6k | \$45.7k | 27.7k | \$30k | \$46.1k |
| Single/MFS | 18.2k | \$19.7k | \$30.5k | 18.5k | \$20k | \$30.7k |

| Adoption Credit | | |
|-----------------|---------------------|---------------------|
| | 2016 | 2016 |
| Maximum Credit | \$13,460 | \$13,460 |
| AGI phase-out | \$201,920-\$241,920 | \$201,920-\$241,920 |

| Qualified Plans | | |
|--|-----------|-----------|
| | 2016 | 2017 |
| Contribution limits for 401(k), 403(b), SARSEP, Roth 401(k), 457(b)2 and 457(c)(1) | \$18,000 | \$18,000 |
| Catch-up limits for above plans | \$6,000 | \$6,000 |
| Contribution Limits for SIMPLE 401(k) | \$12,500 | \$12,500 |
| Catch-up limits for SIMPLE 401(k) | \$3,000 | \$3,000 |
| Limits on annual additions to SEP Plans | \$53,000 | \$53,000 |
| Annual SEP Compensation threshold (25% Limit) | \$265,000 | \$265,000 |
| Annual limits on defined contribution plans | \$53,000 | \$53,000 |
| Annual defined contribution threshold | \$265,000 | \$265,000 |
| Annual benefit limit under defined benefit plans | \$210,000 | \$210,000 |
| Threshold for highly compensated employee | \$120,000 | \$120,000 |
| Threshold for key employee in top heavy plans | \$170,000 | \$170,000 |

| IRAs | | |
|---|---------------------|---------------------|
| | 2015 | 2016 |
| Traditional and Roth Contribution Limits: | | |
| Regular | \$5,500 | \$5,500 |
| Catch-up (Age.50) | \$1,000 | \$1,000 |
| Traditional IRA AGI Deduction Phase-out if Active Participant: | | |
| MFJ | \$98,000-\$118,000 | \$98,000-\$118,000 |
| Single/HoH | \$61,000-\$71,000 | \$61,000-\$71,000 |
| MFS | \$0-\$10,000 | \$0-\$10,000 |
| Traditional IRA AGI Deduction Phase-out if NOT Active Participant: | | |
| MFJ (active spouse) | No Income Limit | No Income Limit |
| MFJ (non-active spouse) | \$183,000-\$193,000 | \$184,000-\$194,000 |
| Single/HoH | No Income Limit | No Income Limit |
| MFS | \$0-\$10,000 | \$0-\$10,000 |
| Roth AGI Contribution Phase-outs: | | |
| MFJ | \$183,000-193,000 | \$184,000-194,000 |
| Single/HoH | \$116,000-131,000 | \$117,000-132,000 |
| MFS | \$0-10,000 | \$0-10,000 |
| Roth AGI Conversion MAGI Limits: | | |
| MFJ | No MAGI Limits | No MAGI Limits |
| Single/HoH | No MAGI Limits | No MAGI Limits |
| MFS | No MAGI Limits | No MAGI Limits |

| Estate & Gift Tax | | |
|---|-------------|-------------|
| | 2016 | 2017 |
| Applicable Exclusion Amount | \$5,450,000 | \$5,490,000 |
| Applicable Credit | \$2,125,800 | \$2,125,800 |
| Lifetime Gifting Exemption | \$5,450,000 | \$5,490,000 |
| Lifetime Applicable Credit | \$2,125,800 | \$2,125,800 |
| Top Estate Tax Rate | 40% | 40% |
| Top Gift Tax Rate | 40% | 40% |
| GST Exemption Amount | \$5,450,000 | \$5,490,000 |
| GST Tax Rate | 40% | 40% |
| Annual Gift Tax Exclusion | \$14,000 | \$14,000 |
| Annual Gift Tax Exclusion to Non-Citizen Spouse | \$148,000 | \$148,000 |
| Section 2032A Special Use Valuation Reduction | \$1,110,000 | \$1,110,000 |
| Section 6166 2% Interest Bracket | \$1,470,000 | \$1,470,000 |

| Education Incentives | | |
|--|-------------------|-------------------|
| | 2016 | 2017 |
| Coverdell Education Savings Accounts (limit \$2,000 per beneficiary per year) | | |
| MFJ | \$190,000-220,000 | \$190,000-220,000 |
| Single/HoH/MFS | \$95,000-110,000 | \$95,000-110,000 |
| American Opportunity Credit (Limit \$2,500 per student for first 4 years tuition) | | |
| MFJ | \$160,000-180,000 | \$160,000-180,000 |
| Single/HoH/MFS | \$80,000-90,000 | \$80,000-90,000 |
| Lifetime Learning Credit (20% of first \$10k of out-of-pocket qualified tuition and expenses) | | |
| MFJ | \$110,000-130,000 | \$111,000-131,000 |
| Single/HoH/MFS | \$55,000-65,000 | \$55,000-65,000 |
| Student Loan Interest Deduction (Maximum deduction \$2,500) | | |
| MFJ | \$130,000-160,000 | \$130,000-160,000 |
| Single/HoH/MFS | \$65,000-\$80,000 | \$65,000-\$80,000 |
| Exclusions of U.S. Saving Bond Income: | | |
| MFJ | \$115,750-145,750 | \$116,300-146,299 |
| Single/HoH/MFS | \$77,200-92,200 | \$77,500-92,550 |

| Social Security | | |
|--|-----------|-----------|
| | 2016 | 2017 |
| Wage Base | \$118,500 | \$118,500 |
| Social Security Rates | | |
| Employee | 7.65% | 7.65% |
| Employer | 7.65% | 7.65% |
| Self-Employed | 15.30% | 15.30% |
| Social Security Earning Phase-out | | |
| Before Full Retirement Age (FRA) | \$15,720 | \$15,720 |
| Pre-FRA in year you reach FRA | \$41,880 | \$41,880 |
| After FRA | None | None |

| Health Savings Accounts | | |
|---------------------------------|---------|---------|
| | 2016 | 2017 |
| Maximum Contribution | | |
| Individual | \$3,350 | \$3,350 |
| Family | \$6,650 | \$6,700 |
| Catch-up Contribution (Age 55+) | \$1,000 | \$1,000 |

| Long-Term Care Insurance | | |
|---|---------|---------|
| | 2016 | 2017 |
| Age (Maximum qualified LTC premiums eligible for deductions) | | |
| ≥ 40 | \$390 | \$390 |
| 41-50 | \$390 | \$730 |
| 51-60 | \$1,460 | \$1,460 |
| 61-70 | \$3,900 | \$3,900 |
| > 70 | \$4,870 | \$4,870 |
| Qualified LTC contract per diem limit | \$340 | \$340 |

| Standard Mileage Rates | | |
|---|----------|----------|
| | 2016 | 2017 |
| Use of Vehicle (Deductions per Mile) | | |
| Business | 54 cents | 54 cents |
| Medical or Moving | 19 cents | 19 cents |
| Charitable | 14 cents | 14 cents |

| 2017 New Mexico State Income Tax Rate | | | |
|---------------------------------------|--------------|------------|--------------------|
| If taxable income is over | But not Over | The tax is | Of the amount over |
| Single | | | |
| 0 | \$5,500 | \$0+1.7% | 0 |
| \$5,501 | \$11,000 | \$94+3.2% | \$5,500 |
| \$11,001 | \$16,000 | \$270+4.7% | \$11,000 |
| \$16,000 | | \$505+4.9% | \$16,000 |
| Couples | | | |
| 0 | \$8,000 | \$0+1.7% | 0 |
| \$8,000 | \$16,000 | \$136+3.2% | \$8,000 |
| \$16,000 | \$24,000 | \$392+4.7% | \$16,000 |
| \$24,000 | | \$768+4.9% | \$24,000 |

| 2017 New Mexico State Age 65 Years or Older or Blind Exemption | | | |
|--|-----------------------|-----------------------|-----------|
| MFJ, HoH | Single | MFS | Exemption |
| Adjusted Gross Income | Adjusted Gross Income | Adjusted Gross Income | Allowed |
| \$0-30,000 | \$0-18,000 | \$0-15,000 | \$8,000 |
| \$30,001-33,000 | \$18,001-19,500 | \$15,001-16,500 | \$7,000 |
| \$33,001-36,000 | \$19,501-21,000 | \$16,501-18,000 | \$6,000 |
| \$36,001-39,000 | \$21,001-22,500 | \$18,001-19,500 | \$5,000 |
| \$39,001-42,000 | \$22,501-24,000 | \$19,501-21,000 | \$4,000 |
| \$42,001-45,000 | \$24,001-25,500 | \$21,001-22,500 | \$3,000 |
| \$45,001-48,000 | \$25,501-27,000 | \$22,501-24,000 | \$2,000 |
| \$48,001-51,000 | \$27,001-28,500 | \$24,001-25,500 | \$1,000 |
| Over \$51,001 | Over \$28,501 | Over \$25,501 | \$0 |

| New Mexico Citizen Age 100 Years or More | | |
|--|-----------------------|-----------------------|
| | 2016 | 2017 |
| Single or Couple Age ≥ 100 | No New Mexico Tax | No New Mexico Tax |
| Married Couple; One Age ≥ 100 | 50% Subject to NM Tax | 50% Subject to NM Tax |

| New Mexico Rebate and Credit Schedule | | |
|--|----------------------------------|----------------------------------|
| | 2016 | 2017 |
| | If your modified gross income is | If your modified gross income is |
| Low Income Comprehensive Tax Rebate | \$22,000 or Less | \$22,000 or Less |
| Property Tax Rebate (65 or Older) | \$16,000 or Less | \$16,000 or Less |
| Child Day Care Credit | \$30,160 or Less | \$30,160 or Less |
| Los Alamos or Santa Fe Residence Only - Low Income Property Rebate | \$24,000 or Less | \$24,000 or Less |

| 2016 New Mexico Refundable Tax Credits | |
|--|--|
| • Refundable medical care credit for persons age 65 or older | |
| • Special needs adopted child tax credit | |
| • Renewable energy production tax credit | |

| 2017 New Mexico Tax Additions | |
|--|--|
| • Interest and dividend income from Federal tax-exempt bonds | |
| • Net operating loss carry-forward or carry-back from Federal "Other income" | |
| • Contributions refunded when closing a New Mexico approved 529 College Saving Plan | |
| • Conservation deduction for land to private non-profit to both Federal and NM taxes | |

| 2017 New Mexico Tax Deductions | |
|--|--|
| • NM tax-exempt interest and dividends; greater of \$1,000 or 50% of net capital gains | |
| • Interest from U.S. government obligations | |
| • Taxable Railroad Retirement: Taxable Railroad Unemployment Insurance Act Sick Pay | |
| • Income of an Indian, Military Active Duty Pay and NM Natl Guard Life Insur Reimbursement | |
| • Deduction for organ donation related expenses | |
| • Refund of prior year state and local income and sales taxes included in federal AGI. | |

Federal and New Mexico After-tax Yield on Corporate Bonds

| Coupon Rate | Fed Rate | NM* | After-tax Yield | Coupon Rate | Fed Tax | NM* | After-tax Yield |
|-------------|----------|-------|-----------------|-------------|---------|-------|-----------------|
| 1.50% | 33% | 3.28% | 0.96% | 1.50% | 35% | 3.19% | 0.93% |
| 1.75% | 33% | 3.28% | 1.12% | 1.75% | 35% | 3.19% | 1.08% |
| 2.00% | 33% | 3.28% | 1.27% | 2.00% | 35% | 3.19% | 1.24% |
| 2.25% | 33% | 3.28% | 1.43% | 2.25% | 35% | 3.19% | 1.39% |
| 2.50% | 33% | 3.28% | 1.59% | 2.50% | 35% | 3.19% | 1.55% |
| 2.75% | 33% | 3.28% | 1.75% | 2.75% | 35% | 3.19% | 1.70% |
| 3.00% | 33% | 3.28% | 1.91% | 3.00% | 35% | 3.19% | 1.85% |
| 3.25% | 33% | 3.28% | 2.07% | 3.25% | 35% | 3.19% | 2.01% |
| 3.50% | 33% | 3.28% | 2.23% | 3.50% | 35% | 3.19% | 2.16% |
| 3.75% | 33% | 3.28% | 2.39% | 3.75% | 35% | 3.19% | 2.32% |
| 4.00% | 33% | 3.28% | 2.55% | 4.00% | 35% | 3.19% | 2.47% |
| 4.25% | 33% | 3.28% | 2.71% | 4.25% | 35% | 3.19% | 2.63% |
| 4.50% | 33% | 3.28% | 2.87% | 4.50% | 35% | 3.19% | 2.78% |
| 4.75% | 33% | 3.28% | 3.03% | 4.75% | 35% | 3.19% | 2.94% |
| 5.00% | 33% | 3.28% | 3.19% | 5.00% | 35% | 3.19% | 3.09% |
| 5.25% | 33% | 3.28% | 3.35% | 5.25% | 35% | 3.19% | 3.25% |
| 5.50% | 33% | 3.28% | 3.50% | 5.50% | 35% | 3.19% | 3.40% |
| 5.75% | 33% | 3.28% | 3.66% | 5.75% | 35% | 3.19% | 3.55% |
| 6.00% | 33% | 3.28% | 3.82% | 6.00% | 35% | 3.19% | 3.71% |
| 6.25% | 33% | 3.28% | 3.98% | 6.25% | 35% | 3.19% | 3.86% |
| 6.50% | 33% | 3.28% | 4.14% | 6.50% | 35% | 3.19% | 4.02% |

* NM Tax Rate Adjusted for Federal Itemized Deductions

After New Mexico Tax Yield on Out-of-state Municipal Bonds

| Coupon Rate | NM Tax* | After-tax Yield | Coupon Rate | NM Tax* | After-tax Yield |
|-------------|---------|-----------------|-------------|---------|-----------------|
| 1.000% | 3.19% | 0.97% | 3.625% | 3.19% | 3.51% |
| 1.125% | 3.19% | 1.09% | 3.750% | 3.19% | 3.63% |
| 1.250% | 3.19% | 1.21% | 3.875% | 3.19% | 3.75% |
| 1.375% | 3.19% | 1.33% | 4.000% | 3.19% | 3.87% |
| 1.500% | 3.19% | 1.45% | 4.125% | 3.19% | 3.99% |
| 1.625% | 3.19% | 1.57% | 4.250% | 3.19% | 4.11% |
| 1.750% | 3.19% | 1.69% | 4.375% | 3.19% | 4.24% |
| 1.875% | 3.19% | 1.82% | 4.500% | 3.19% | 4.36% |
| 2.000% | 3.19% | 1.94% | 4.625% | 3.19% | 4.48% |
| 2.125% | 3.19% | 2.06% | 4.750% | 3.19% | 4.60% |
| 2.250% | 3.19% | 2.18% | 4.875% | 3.19% | 4.72% |
| 2.375% | 3.19% | 2.30% | 5.000% | 3.19% | 4.84% |
| 2.500% | 3.19% | 2.42% | 5.125% | 3.19% | 4.96% |
| 2.625% | 3.19% | 2.54% | 5.250% | 3.19% | 5.08% |
| 2.750% | 3.19% | 2.66% | 5.375% | 3.19% | 5.20% |
| 2.875% | 3.19% | 2.78% | 5.500% | 3.19% | 5.32% |
| 3.000% | 3.19% | 2.90% | 5.625% | 3.19% | 5.45% |
| 3.125% | 3.19% | 3.03% | 5.750% | 3.19% | 5.57% |
| 3.250% | 3.19% | 3.15% | 5.875% | 3.19% | 5.69% |
| 3.375% | 3.19% | 3.27% | 6.000% | 3.19% | 5.81% |
| 3.500% | 3.19% | 3.39% | 6.125% | 3.19% | 5.93% |

* NM Tax Rate Adjusted for Federal Itemized Deduction assuming a 35% bracket

Section 179 Expensing*

| | 2016 | 2017 |
|---------------------|-------------|-------------|
| Expense Limit | \$500,000 | \$500,000 |
| Phase-out Threshold | \$2,000,000 | \$2,000,000 |

Bonus Depreciation*

| | 2016 | 2017 |
|--------------------|----------|----------|
| Bonus Depreciation | Extended | Extended |

*50% bonus depreciation extended to 1-1-2020 with a phase-out provision.

MACRS Depreciation Rates* (with 1/2 year convention)

| (Rounded Percentage) | 2015 | | | 2016 | | |
|----------------------|-------|-------|-------|-------|-------|-------|
| Year | 3-yr | 5-yr | 7-yr | 3-yr | 5-yr% | 7-yr% |
| 1 | 33.3% | 20.0% | 14.3% | 33.3% | 20.0% | 14.3% |
| 2 | 44.4% | 32.0% | 24.5% | 44.4% | 32.0% | 24.5% |
| 3 | 14.8% | 19.2% | 17.5% | 14.8% | 19.2% | 17.5% |
| 4 | 7.4% | 11.5% | 12.5% | 7.4% | 11.5% | 12.5% |
| 5 | | 11.5% | 8.9% | | 11.5% | 8.9% |
| 6 | | 5.8% | 8.9% | | 5.8% | 8.9% |
| 7 | | | 8.9% | | | 8.9% |
| 8 | | | 4.7% | | | 4.7% |

* Review IRS Publication 946 for 10 yr, 15 yr and 20 yr schedule. Table assumes 200% declining balance.

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