

FRANZEN & FRANZEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

August 27, 2014 – 2014 California State Income Tax Rate Schedules Adjusted

The Franchise Tax Board (FTB) has released the 2014 state tax brackets. Brackets are “indexed” each year by adjusting them to reflect changes in the California Consumer Price Index (CPI).

Filing requirement thresholds, the standard deduction and certain credits were adjusted along with income tax brackets based on the inflation rate of 2.2%, as measured by the California CPI for all urban consumers from June 2013 to June 2014. Last year California had an inflation rate that measured 1.7%.

Below are some of the changes to various items:

	2014 Amounts	2013 Amounts
Standard deduction for single or married filing separate taxpayers	\$3,992	\$3,906
Standard deduction for joint, surviving spouse, or head of household taxpayers	\$7,984	\$7,812
Personal exemption credit amount for single, separate, and head of household taxpayers	\$108	\$106
Personal exemption credit amount for joint filers or surviving spouses	\$216	\$212
Dependent exemption credit	\$333	\$326
Renter's Credit is available for single filers with adjusted gross incomes	\$37,768 or less	\$36,955 or less
Renter's Credit is available for joint filers with adjusted gross incomes	\$75,536 or less	\$73,910 or less

In addition, FTB provides minimum filing requirement thresholds to ensure that most people who will not owe taxes are not required to file a state tax return. FTB adjusts these tables each year to include the added senior exemption and the dependent exemption credits. For example, most single people under 65 years old with no dependents would not need to file a tax return until they have adjusted gross income of \$12,838 or more. Adjusted gross income is total income increased or reduced by specific adjustments, before taking the standard or itemized deduction.

Other tax credits affected by indexing include the Joint Custody Head of Household Credit, Dependent Parent Credit and Qualified Senior Head of Household Credit. For more information about the 2014 tax rates and exemptions, visit the FTB website at ftb.ca.gov.