

## INCOME TAXES

		2019			
		If Taxable Income Is:			
		Over	But Not Over	The Tax Is	Of the Amount Over
Married Filing Jointly		\$0	\$19,400	\$0 + 10%	\$0
		\$19,400	\$78,950	\$1,940 + 12%	\$19,400
		\$78,950	\$168,400	\$9,086 + 22%	\$78,950
		\$168,400	\$321,450	\$28,765 + 24%	\$168,400
		\$321,450	\$408,200	\$65,497 + 32%	\$321,450
		\$408,200	\$612,350	\$93,257 + 35%	\$408,200
		\$612,350	-	\$164,709.50 + 37%	\$612,350
Single		\$0	\$9,700	\$0 + 10%	\$0
		\$9,700	\$39,475	\$970 + 12%	\$9,700
		\$39,475	\$84,200	\$4,543 + 22%	\$39,475
		\$84,200	\$160,725	\$14,382.50 + 24%	\$84,200
		\$160,725	\$204,100	\$32,748.50 + 32%	\$160,725
		\$204,100	\$510,300	\$46,628.50 + 35%	\$204,100
		\$510,300	-	\$153,798.50 + 37%	\$510,300
Estates & Trusts		\$0	\$2,600	\$0 + 10%	\$0
		\$2,600	\$9,300	\$260 + 24%	\$2,600
		\$9,300	\$12,750	\$1,868 + 35%	\$9,300
		\$12,750	-	\$3,075.50 + 37%	\$12,750

		2020			
		If Taxable Income Is:			
		Over	But Not Over	The Tax Is	Of the Amount Over
		\$0	\$19,750	\$0 + 10%	\$0
		\$19,750	\$80,250	\$1,975 + 12%	\$19,750
		\$80,250	\$171,050	\$9,235 + 22%	\$80,250
		\$171,050	\$326,600	\$29,211 + 24%	\$171,050
		\$326,600	\$414,700	\$66,543 + 32%	\$326,600
		\$414,700	\$622,050	\$94,735 + 35%	\$414,700
		\$622,050	-	\$167,307.50 + 37%	\$622,050
		\$0	\$9,875	\$0 + 10%	\$0
		\$9,875	\$40,125	\$987.50 + 12%	\$9,875
		\$40,125	\$85,525	\$4,617.50 + 22%	\$40,125
		\$85,525	\$163,300	\$14,605.50 + 24%	\$85,525
		\$163,300	\$207,350	\$33,271.50 + 32%	\$163,300
		\$207,350	\$518,400	\$47,367.50 + 35%	\$207,350
		\$518,400	-	\$156,235 + 37%	\$518,400
		\$0	\$2,600	\$0 + 10%	\$0
		\$2,600	\$9,450	\$260 + 24%	\$2,600
		\$9,450	\$12,950	\$1,904 + 35%	\$9,450
		\$12,950	-	\$3,129 + 37%	\$12,950

## PERSONAL EXEMPTIONS

2018-2026

The personal exemption and corresponding phaseout of the exemption for taxpayers with income above certain thresholds is eliminated until 2026.

Beginning in 2018, a deduction for dependents is not allowed. Instead, **the child tax credit** is increased to \$2,000 per child under age 18. A \$500 credit is allowed for other dependents. The \$2,000 child credit is refundable up to \$1,400, but the \$500 credit for other dependents is nonrefundable.

### Standard Deductions

		Annual	Add'l (Age 65+ or Blind)
Married Filing Jointly	2019	\$24,400	\$1,300
	2020	\$24,800	\$1,300
Single	2019	\$12,200	\$1,650
	2020	\$12,400	\$1,650

### Itemized Deductions

Income over applicable amount triggers itemized deduction limitation

2018-2026

The phaseout for itemized deductions for taxpayers with income above certain thresholds is eliminated until 2026.

### Capital Gains (2020)

Long-term Capital Gains Rates	Single	Married Filing Jointly
0	\$40,000 or below	\$80,000 or below
15%	\$40,000 - \$441,450	\$80,000-\$496,600
20%	Over \$441,450	Over \$496,600

**Tax on net investment income:** Additional 3.8% tax on lesser of net investment income or excess of Modified AGI income over \$200,000 single/\$250,000 married filing jointly.

### Alternative Minimum Tax

Exemption	2019	2020
Married filing jointly	\$111,700	\$113,400
Single	\$71,700	\$72,900

### Kiddie Tax: Under age 19 with unearned income

	2020	Tax Rate	2019
First	\$1,100	No Tax	The child's net unearned income is taxed according to the brackets applicable to Trusts & Estates or Parents' tax rate*
Next	\$1,100	Child's Bracket	
Amounts Over	\$2,200	Parent's Bracket	

Unearned income of children under 19 (and dependent full-time students up to the age 24) is now taxable at parents' tax rate if higher than child's. \*May elect to use Parents' tax rate or trust tax rate for 2019. May use Parents' tax rate (by amending return) for 2018 tax year.

## CORPORATE TAX RATE

Beginning in 2018, all taxable income is taxed at a flat rate of 21%.

## QUALIFIED PLANS

	2019	2020
Maximum elective deferral to retirement plans, e.g., 401(k), 403(b) and 457 plans, and SARSEP(s)	\$19,000	\$19,500
Maximum elective deferral to SIMPLE 401(k) plans	\$13,000	\$13,500
Limit on annual additions to SEP plans	\$56,000	\$57,000
Annual compensation threshold requiring SEP contribution	\$600	\$600
Limit on annual additions to defined contribution plans	\$56,000	\$57,000
Maximum annual compensation taken into account for contributions	\$280,000	\$285,000
Annual benefit limit under defined benefit plans	\$225,000	\$230,000
Threshold amount for definition of highly compensated employee	\$125,000	\$130,000

### Catch-Up Contribution Limits for Other Qualified Plan Types

	2019	2020
401(k), 403(b), SARSEP and 457 plans	\$6,000	\$6,500
SIMPLE plans	\$3,000	\$3,000

## SOCIAL SECURITY

### Base Amt. of Mod. AGI Causing Soc. Sec. Benefits to be Taxable:

	50% taxable	85% taxable
Married Filing Jointly	\$32,000	\$44,000
Single	\$25,000	\$34,000

### Maximum Earnings before Social Security Benefits are Reduced:

Assumes Full retirement age is 65	2019	2020
Under age 65 (lose \$1 for every \$2)	\$17,640	\$18,240
Age 65 and over	No Limit	No Limit

### Maximum Compensation Subject to FICA Taxes:

	2019	2020
Social Security Maximum	\$132,900	\$137,700
Medicare Maximum	No Limit	No Limit

\*Social Security Tax Rate: 12.4% self-employed, 6.2% employees

\*Medicare Tax Rate: 2.9% self-employed, 1.45% employees

## ESTATE AND GIFT TAX

### Subtract applicable estate tax exemption below to calculate estate tax.

If Taxable Estate Is:

Over	But Not Over	The Tax Is	Of the Amount Over
\$0	\$10,000	\$0 + 18%	\$0
\$10,000	\$20,000	\$1,800 + 20%	\$10,000
\$20,000	\$40,000	\$3,800 + 22%	\$20,000
\$40,000	\$60,000	\$8,200 + 24%	\$40,000
\$60,000	\$80,000	\$13,000 + 26%	\$60,000
\$80,000	\$100,000	\$18,200 + 28%	\$80,000
\$100,000	\$150,000	\$23,800 + 30%	\$100,000
\$150,000	\$250,000	\$38,800 + 32%	\$150,000
\$250,000	\$500,000	\$70,800 + 34%	\$250,000
\$500,000	\$750,000	\$155,800 + 37%	\$500,000
\$750,000	\$1,000,000	\$248,300 + 39%	\$750,000
\$1,000,000	—	\$345,800 + 40%	\$1,000,000

### Subtract applicable credit below from calculated tax

	Exclusion Amount	Applicable Credit
2019	\$11,400,000	\$4,505,800
2020	\$11,580,000	\$4,577,800

**GSTT & Lifetime Gift Tax Exclusion:** same as Estate Tax Exclusion amount

**Portability:** An executor can elect to allocate the unused portion of a decedent's exclusion amount to the surviving spouse.

## TRADITIONAL AND ROTH IRAS

### Contribution Limits

	2019	2020
Regular	\$6,000	\$6,000
Catch-Up*	\$1,000	\$1,000

\*Only taxpayers age 50 and over are eligible to make catch-up contributions.

### Traditional IRA Deductibility Rules

Filing Status	Covered by Employer's Retirement Plan?	Modified AGI 2019	Modified AGI 2020	Deductibility
Single	No	Any amount	Any amount	Full Deduction
	Yes	\$64,000 or less	\$65,000 or less	Full Deduction
		\$64,001-\$73,999	\$65,001-\$74,999	Partial Deduction
		\$74,000 or more	\$75,000 or more	No Deduction
Married Filing Jointly	Neither Spouse Covered	Any amount	Any amount	Full Deduction
	Both Spouses Covered	\$103,000 or less	\$104,000 or less	Full Deduction
		\$103,001-\$122,999	\$104,001-\$123,999	Partial Deduction
		\$123,000 or more	\$124,000 or more	No Deduction
	One Spouse Covered for Covered Spouses	\$103,000 or less	\$104,000 or less	Full Deduction
		\$103,001-\$122,999	\$104,001-\$123,999	Partial Deduction
\$123,000 or more		\$123,000 or more	No Deduction	
One Spouse Covered for Non-Covered Spouse	\$193,000 or less	\$196,000 or less	Full Deduction	
	\$193,001-\$202,999	\$196,001-\$205,999	Partial Deduction	
	\$203,000 or more	\$206,000 or more	No Deduction	

### Roth IRAs

AGI Phase-Out Range for Contributions to Roth IRAs in 2020:	
Married Filing Jointly	\$196,000—\$206,000
Single	\$124,000—\$139,000

### Long-Term Care Insurance\*

#### Max Qualified LTC Premiums Eligible for Deductions:

Age:	40 or less	41-50	51-60	61-70	Over 70
2019	\$420	\$790	\$1,580	\$4,220	\$5,270
2020	\$430	\$810	\$1,630	\$4,350	\$5,430

\*Qualified LTC contract per diem limit: \$380

### Health Savings Accounts (HSAs)

An "eligible individual" is defined as (1) one covered by a high deductible health plan (HDHP), (an annual deductible of \$1,400 for single coverage and \$2,800 for family coverage where the maximum out of pocket cannot exceed \$6,900 for single coverage and \$13,800 for family coverage), (2) is not covered by any other health insurance except for some permitted coverages, (3) is not eligible for and enrolled in Medicare, and (4) cannot be claimed as a dependent on someone else's income tax return.

Contribution Limits	2019	2020
Single	\$3,500	\$3,550
Family	\$7,000	\$7,100