

2020 FEDERAL TAX TABLE, EXEMPTIONS & STANDARD DEDUCTION

Single:

Taxable Income	Tax Rate
\$0 to \$9,875	10%
\$9,876 to \$40,125	\$988 plus 12% of the amount over \$9,875
\$40,126 to \$85,325	\$4,618 plus 22% of the amount over \$40,125
\$85,326 to \$163,300	\$14,606 plus 24% of the amount over \$85,525
\$163,301 to \$207,350	\$33,272 plus 32% of the amount over \$163,300
\$207,351 to \$518,400	\$47,368 plus 35% of the amount over \$207,350
\$518,401 or more	\$156,325 plus 37% of the amount over \$518,400

Married Filing Jointly or Qualifying Widow(er):

Taxable Income	Tax Rate
\$0 to \$19,750	10%
\$19,751 to \$80,250	\$1,975 plus 12% of the amount over \$19,750
\$80,251 to \$171,050	\$9,235 plus 22% of the amount over \$80,250
\$171,051 to \$326,600	\$29,211 plus 24% of the amount over \$171,050
\$326,601 to \$414,700	\$66,543 plus 32% of the amount over \$326,600
\$414,701 to \$622,050	\$94,735 plus 35% of the amount over \$414,700
\$622,051 or more	\$167,308 plus 37% of the amount over \$622,050

Married Filing Separately:

Taxable Income	Tax Rate
\$0 to \$9,875	10%
\$9,876 to \$40,125	\$988 plus 12% of the amount over \$9,875
\$40,126 to \$85,525	\$4,618 plus 22% of the amount over \$40,125
\$85,526 to \$163,300	\$14,606 plus 24% of the amount over \$85,525
\$163,301 to \$207,350	\$33,272 plus 32% of the amount over \$163,300
\$207,351 to \$311,025	\$47,368 plus 35% of the amount over \$207,350
\$311,026 or more	\$83,654 plus 37% of the amount over \$311,025

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Head of Household:

Taxable Income	Tax Rate
\$0 to \$14,100	10%
\$14,101 to \$53,700	\$1,410 plus 12% of the amount over \$14,100
\$53,701 to \$85,500	\$6,162 plus 22% of the amount over \$53,700
\$85,501 to \$163,300	\$13,158 plus 24% of the amount over \$85,500
\$163,301 to \$207,350	\$31,830 plus 32% of the amount over \$163,300
\$207,351 to \$518,400	\$45,926 plus 35% of the amount over \$207,350
\$518,401 or more	\$154,794 plus 37% of the amount over \$518,400

2020 Personal Exemption Amounts

For tax year 2020, the personal exemption amount is \$0.

2020 Standard Deduction Amounts

There are 2 main [types of tax deductions](#): the standard deduction and itemized deductions. The standard deduction, which is subtracted from your AGI, reduces your taxable income and usually changes each year to reflect inflation.

Filing Status	Standard Deduction	65 & Over
Single	\$12,400	+\$1,650
Married Filing Jointly	\$24,800	+\$1,300/+\$2,600
Married Filing Separately	\$12,400	+\$1,300
Head of Household	\$18,650	+\$1,650

Other Tax Rates in Effect for 2020

In addition to the federal income taxes on ordinary income, there are other taxes that may apply to personal income:

Self Employment Tax at a rate of **15.3%** on wages and self-employment income up to the annual [Social Security wage base](#) of **\$137,700**.

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Capital Gains Tax Rates vary depending on whether the gains are short-term or long-term.

Short-term gains are taxed at ordinary income tax rates.

Long-term gains and qualified dividends taxed at:

- **0%** if taxable income falls in the 10% or 15% marginal tax brackets
- **15%** if taxable income falls in the 25%, 28%, 33%, or 35% marginal tax brackets
- **20%** if taxable income falls in the 39.6% marginal tax bracket
- **25%** on Depreciation Recapture
- **28%** on Collectibles
- **28%** on qualified small business stock after exclusion

For 2012, 401(k) Contribution Limit Rises to \$19,500

'Catch-up' contribution for those 50 and over increases to \$6,500

IRA Contributions. The limit on annual contributions to an Individual Retirement Arrangement (IRA) remains unchanged at \$6,000. The additional catch-up contribution limit for individuals aged 50 and over remains at \$1,000.

- **Earned Income Tax Credit (EITC).** For 2020, the maximum EITC amount available is \$3,548 for taxpayers filing jointly with one child; \$5,920 for two children; \$6,660 for three or more children (up from \$6,557 in 2019) and \$538 for no children. Phaseouts are based on filing status and number of children and begin at \$8,790 for single taxpayers with no children and \$19,330 for single taxpayers with one or more children.
- **Child & Dependent Care Credit.** For 2020, the value used to determine the amount of credit that may be refundable is \$3,000 for one child and \$6,000 for two or more children. Keep in mind that this is the value of the expenses used to determine the credit and not the actual amount of the credit.
- **American Opportunity Tax Credit.** The AOTC Tax Credit for 2020 will be an amount equal to 100% of qualified tuition and related expenses not in excess of \$2,000 plus 25% of those

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expenses in excess of \$2,000 but not in excess of \$4,000. That means that the maximum AOTC Credit allowable for 2020 is \$2,500. Income restrictions do apply and for 2020, those kick in for taxpayers with modified adjusted gross income (MAGI) in excess of \$80,000 (\$160,000 for a joint return).

- **Lifetime Learning Credit.** The credit is worth up to 20% of the first \$10,000 of expenses, or a maximum of \$2,000 per return. No portion of the LLC is refundable. Income restrictions apply to the Lifetime Learning Credit. For 2020, those restrictions begin with taxpayers with modified adjusted gross income (MAGI) in excess of \$58,000 (\$116,000 for a joint return).
- **Student Loan Interest Deduction.** For 2020, the maximum amount that you can take as a deduction for interest paid on student loans remains at \$2,500. Phaseouts apply for taxpayers with modified adjusted gross income (MAGI) in excess of \$70,000 (\$140,000 for joint returns), and is completely phased out for taxpayers with modified adjusted gross income (MAGI) of \$85,000 or more (\$170,000 or more for joint returns).