

2021 FEDERAL TAX TABLE, EXEMPTIONS & STANDARD DEDUCTION

Single:

Taxable Income	Tax Rate
\$0 to \$9,950	10%
\$9,951 to \$40,525	\$995 plus 12% of the amount over \$9,950
\$40,526 to \$86,375	\$4,664 plus 22% of the amount over \$40,525
\$86,376 to \$164,925	\$14,751 plus 24% of the amount over \$86,375
\$164,926 to \$209,425	\$33,603 plus 32% of the amount over \$164,925
\$209,426 to \$523,600	\$47,843 plus 35% of the amount over \$209,425
\$523,601 or more	\$157,804 plus 37% of the amount over \$523,600

Married Filing Jointly or Qualifying Widow(er):

Taxable Income	Tax Rate
\$0 to \$19,900	10%
\$19,901 to \$81,050	\$1,990 plus 12% of the amount over \$19,900
\$81,051 to \$172,750	\$9,328 plus 22% of the amount over \$81,050
\$172,751 to \$329,850	\$29,502 plus 24% of the amount over \$172,750
\$329,851 to \$418,850	\$67,206 plus 32% of the amount over \$329,850
\$418,851 to \$628,300	\$95,686 plus 35% of the amount over \$418,850
\$628,301 or more	\$168,994 plus 37% of the amount over \$628,300

Married Filing Separately:

Taxable Income	Tax Rate
\$0 to \$9,950	10%
\$9,951 to \$40,525	\$995 plus 12% of the amount over \$9,950
\$40,526 to \$86,375	\$4,664 plus 22% of the amount over \$40,525
\$86,376 to \$164,925	\$14,751 plus 24% of the amount over \$86,375
\$164,926 to \$209,425	\$33,603 plus 32% of the amount over \$164,925
\$209,426 to \$314,150	\$47,843 plus 35% of the amount over \$209,425
\$314,151 or more	\$84,497 plus 37% of the amount over \$314,150

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Head of Household:

Taxable Income	Tax Rate
\$0 to \$14,200	10%
\$14,101 to \$54,200	\$1,420 plus 12% of the amount over \$14,200
\$54,201 to \$86,350	\$6,220 plus 22% of the amount over \$54,200
\$86,351 to \$164,900	\$13,293 plus 24% of the amount over \$86,350
\$164,901 to \$209,400	\$32,145 plus 32% of the amount over \$164,900
\$209,401 to \$523,600	\$46,385 plus 35% of the amount over \$209,400
\$523,601 or more	\$156,355 plus 37% of the amount over \$523,600

Tax Tables are the courtesy of Forbes.com

2021 Personal Exemption Amounts

For tax year 2021, the personal exemption amount is \$0.

2021 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	\$12,550	+\$1,650
Married Filing Jointly	\$25,100	+\$1,350/+\$2,700
Married Filing Separately	\$12,550	+\$1,350
Head of Household	\$18,800	+\$1,700

Other Tax Rates in Effect for 2021

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 **\$142,800**.

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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 2021, 401(k) Contribution Limit is \$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.

- **Child Tax Credit (CTC).** Before 2021, the credit was worth up to \$2,000 per eligible child. The law increased it to as much as \$3,000 per child for dependents ages 6 through 17, and \$3,600 for dependents ages 5 and under.

The maximum credit is available to taxpayers with a modified adjusted gross income (AGI) of:

- \$75,000 or less for singles,
- \$112,500 or less for heads of household and
- \$150,000 or less for married couples filing a joint return and qualified widows and widowers.

Above these income thresholds, the extra amount above the original \$2,000 credit — either \$1,000 or \$1,600 per child — is reduced by \$50 for every \$1,000 in modified AGI.

- **Child & Dependent Care Credit.**

For 2021, \$8,000 for one qualifying child or dependent, up from \$3,000 in prior years, or. \$16,000 for two or more qualifying dependents, up from \$6,000 before 2021

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- **American Opportunity Tax Credit.** The AOTC Tax Credit for 2021 will be an amount equal to 100% of qualified tuition and related expenses not in excess of \$2,000 plus 25% of those 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 2021, 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).