TAX YEAR
2020

Tax Facts and Figures

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2020 Federal Tax Rate Schedules

Single Taxable Income

$	0	to	9,875	×	10.0%	minus	$	0.00	=	Tax
	9,876	to	40,125	×	12.0%	minus		197.50	=	Tax
	40,126	to	85,525	×	22.0%	minus		4,210.00	=	Tax
	85,526	to	163,300	×	24.0%	minus		5,920.50	=	Tax
	163,301	to	207,350	×	32.0%	minus		18,984.50	=	Tax
	207,351	to	518,400	×	35.0%	minus		25,205.00	=	Tax
	518,401	and over		×	37.0%	minus		35,573.00	=	Tax

MFJ or QW Taxable Income

$	0	to	19,750	×	10.0%	minus	$	0.00	=	Tax
	19,751	to	80,250	×	12.0%	minus		395.00	=	Tax
	80,251	to	171,050	×	22.0%	minus		8,420.00	=	Tax
	171,051	to	326,600	×	24.0%	minus		11,841.00	=	Tax
	326,601	to	414,700	×	32.0%	minus		37,969.00	=	Tax
	414,701	to	622,050	×	35.0%	minus		50,410.00	=	Tax
	622,051	and over		×	37.0%	minus		62,851.00	=	Tax

MFS Taxable Income

$	0	to	9,875	×	10.0%	minus	$	0.00	=	Tax
	9,876	to	40,125	×	12.0%	minus		197.50	=	Tax
	40,126	to	85,525	×	22.0%	minus		4,210.00	=	Tax
	85,526	to	163,300	×	24.0%	minus		5,920.50	=	Tax
	163,301	to	207,350	×	32.0%	minus		18,984.50	=	Tax
	207,351	to	311,025	×	35.0%	minus		25,205.00	=	Tax
	311,026	and over		×	37.0%	minus		31,425.50	=	Tax

HOH Taxable Income

$	0	to	14,100	×	10.0%	minus	$	0.00	=	Tax
	14,101	to	53,700	×	12.0%	minus		282.00	=	Tax
	53,701	to	85,500	×	22.0%	minus		5,652.00	=	Tax
	85,501	to	163,300	×	24.0%	minus		7,362.00	=	Tax
	163,301	to	207,350	×	32.0%	minus		20,426.00	=	Tax
	207,351	to	518,400	×	35.0%	minus		26,646.50	=	Tax
	518,401	and over		×	37.0%	minus		37,014.50	=	Tax

Additional Medicare Tax

0.9% additional tax on wage income above threshold

Filing status	Single, HOH, QW	MFJ	MFS
Threshold amount	$200,000	$250,000	$125,000

2020 Personal Exemptions

The personal exemption deduction per person is $0
The qualifying relative income limit is $4,300

The phaseout of the personal exemption deduction is suspended for tax years 2018 through 2025.

2020 Standard Deduction

The basic standard deduction for 2020 is:
- Single or MFS $12,400
- MFJ or QW $24,800
- HOH $18,650

Age 65 and/or blind. The additional amounts for age 65 or older and/or blind, per person, per event in 2020 are:
- MFJ, QW, or MFS $1,300
- Single or HOH $1,650

Dependent. The standard deduction in 2020 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of $1,100, or earned income plus $350.

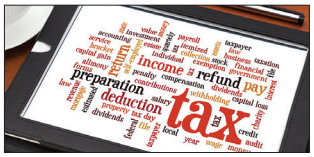
Child Tax Credit and Credit for Other Dependents

Child Tax Credit	$2,000 per qualifying child.
Maximum refundable portion of Child Tax Credit	$1,400 per qualifying child.
Child Tax Credit phaseout begins	MFJ ..... $400,000 Single, HOH, MFS $200,000
Credit for Other Dependents	$500 per dependent (not a qualifying child).

Social Security Highlights

Employee's portion of FICA	**2020**	**2019**	**2018**
Maximum earnings subject to Social Security tax (Medicare no limit)	$137,700	$132,900	$128,400
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	$8,537.40	$8,239.80	$7,960.80

*Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.



Tax Facts and Figures

Business Expenses

2020 Standard Mileage Rate Per Mile

Business	57.5¢
Medical and moving*	17.0¢
Charitable	14.0¢
Depreciation	27.0¢

Section 179 Expense Limits

Regular 179 limits	$1,040,000
SUV limits	$25,900
Investment phaseout begins	$2,590,000

2020 Standard Deduction for Meals—High Low Method (Per Day)

High cost localities	$71
All other localities	$60
Transportation workers	$66

Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)

Commuter benefits (per month)	$270
Parking benefits (per month)	$270

*The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

2020 Retirement Plan Limits

401(k)/403(b) Deferral Limits

Under age 50	$19,500
Age 50 and over	$26,000

IRA Contribution Limits

Under age 50	$6,000
Age 50 and over	$7,000

IRA Deduction Phaseout Range if Covered by Employer Plan

MFJ	$104,000–$124,000
Single, HOH	$65,000–$75,000
MFS	$0–$10,000
Spouse not covered	$196,000–$206,000

Roth IRA Phaseout Range

MFJ	$196,000–$206,000
Single, HOH	$124,000–$139,000
MFS	$0–$10,000

SIMPLE Deferral Limits

Under age 50	$13,500
Age 50 and over	$16,500

Qualified Retirement Plans

Profit sharing/SEP limits	25%/$57,000
Defined benefit plan limits	$230,000
Compensation limits	$285,000

Education Tax Benefits

American Opportunity Credit

MFJ phaseout	$160,000–$180,000
Single, HOH phaseout	$80,000–$90,000

Maximum credit: $2,500 per student
Up to 40% ($1,000) may be refundable

Lifetime Learning Credit

MFJ phaseout	$118,000–$138,000
Single, HOH phaseout	$59,000–$69,000

Maximum credit: $2,000 per return

Education Savings Account (ESA)

MFJ phaseout	$190,000–$220,000
All others	$95,000–$110,000

Annual contribution limit: $2,000 per beneficiary

Student Loan Interest Deduction

MFJ phaseout	$140,000–$170,000
Single, HOH phaseout	$70,000–$85,000

Maximum deduction: $2,500 per return

U.S. Savings Bonds Interest Exclusion

MFJ phaseout	$123,550–$153,550
Single, HOH phaseout	$82,350–$97,350

Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students or apprentices are not taxable.
- Distributions up to $10,000 per student are allowed for tuition expenses for a public, private, or religious elementary or secondary school.
- Cumulative distributions up to $10,000 per beneficiary and sibling for qualified education debt.

2020 Tax Rates: Capital Gain and Dividend Income

If income is…	Maximum tax rate %	If asset is held…
Gain from the sale of collectibles	28%	More than 1 year
Taxable portion of gain on qualified small business stock (section 1202 exclusion)	28%	More than 5 years
Unrecaptured section 1250 gain	25%	More than 1 year
Long-term capital gain	See below	More than 1 year
Qualified dividend income	See below	More than 60 days
Taxable Income Single …… $0 to $40,000 MFJ/QW …… $0 to $80,000 MFS …… $0 to $40,000 HOH …… $0 to $53,600 Estates and trusts …… $0 to $2,650	0%	
Taxable Income Single …… $40,001 to $441,450 MFJ/QW …… $80,001 to $496,600 MFS …… $40,001 to $248,300 HOH …… $53,601 to $469,050 Estates and Trusts …… $2,651 to $13,150	15%	
Taxable Income Single …… $441,451 and over MFJ/QW …… $496,601 and over MFS …… $248,301 and over HOH …… $469,051 and over Estates and Trusts …… $13,151 and over	20%	
Short-term capital gain	37%	1 year or less
Ordinary dividend income	37%	60 days or less

Net Investment Income Tax (NIIT)

3.8% additional tax on investment income if MAGI above threshold amount

Filing status	Single, HOH	MFJ, QW	MFS
Threshold amount	$200,000	$250,000	$125,000

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 72.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of $5,000.

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