

2019 Income Tax Rates

Married individuals filing jointly or Qualifying Widow(er)

If taxable income is:	The tax is:
Not over \$19,400	10% of the taxable income
Over \$19,400 but not over \$78,950	\$1,940 plus 12% of the excess over \$19,400
Over \$78,950 but no over \$168,400	\$9,086 plus 22% of the excess over \$78,950
Over \$168,400 but not over \$321,450	\$28,765 plus 24% of the excess over \$168,400
Over \$321,450 but not over \$408,200	\$65,497 plus 32% of the excess over \$321,450
Over \$408,200 but not over \$612,350	\$93,257 plus 35% of the excess over \$612,350
Over \$612,350	\$164,709.50 plus 37% of the excess over \$612,350

Single

If taxable income is:	The tax is:
Not over \$9,700	10% of the taxable income
Over \$9,700 but not over \$39,475	\$970 plus 12% of the excess over \$9,700
Over \$39,475 but no over \$84,200	\$4,543 plus 22% of the excess over \$39,475
Over \$84,200 but not over \$160,725	\$14,382.50 plus 24% of the excess over \$84,200
Over \$160,725 but not over \$204,100	\$32,748.50 plus 32% of the excess over \$160,725
Over \$204,100 but not over \$510,300	\$46,628.50 plus 35% of the excess over \$204,100
Over \$510,300	\$153,798.50 plus 37% of the excess over \$510,300

Married filing separately

If taxable income is:	The tax is:
Not over \$9,700	10% of the taxable income
Over \$9,700 but not over \$39,475	\$970 plus 12% of the excess over \$9,700
Over \$39,475 but no over \$84,200	\$4,543 plus 22% of the excess over \$39,475
Over \$84,200 but not over \$160,725	\$14,382.50 plus 24% of the excess over \$84,200
Over \$160,725 but not over \$204,100	\$32,748.50 plus 32% of the excess over \$160,725
Over \$204,100 but not over \$306,175	\$46,628.50 plus 35% of the excess over \$204,100
Over \$306,175	\$82,354.75 plus 37% of the excess over \$306,175

Head of Households

If taxable income is:	The tax is:
Not over \$13,850	10% of the taxable income
Over \$13,850 but not over \$52,850	\$1,385 plus 12% of the excess over \$13,850
Over \$52,850 but no over \$84,200	\$6,065 plus 22% of the excess over \$52,850
Over \$84,200 but not over \$160,700	\$12,962 plus 24% of the excess over \$84,200
Over \$160,700 but not over \$204,100	\$31,322 plus 32% of the excess over \$160,700
Over \$204,100 but not over \$510,300	\$45,210 plus 35% of the excess over \$204,100
Over \$510,300	\$152,380 plus 37% of the excess over \$510,300

Standard Deduction

Married filing jointly	\$24,400
Singles	\$12,200
Married filing separately	\$18,350
Heads of households	\$12,200

Additional Standard Deductions

At least age 65 and single	\$1,600
At least 65 and married	\$1,300
Married, both over 65	\$2,600
Single and blind	\$1,600
Married and blind	\$1,300
Married and both blind	\$2,600
Married, both blind and over 65	\$5,200

Child Care and Dependent Care Credits

Qualifying child (under 17)	\$2,000
Other dependent	\$500
Refundable amount	\$1,400
Credit phaseout	AGI over
Married filing jointly	\$400,000
All other taxpayers	AGI over \$200,000

Affordable Care Act (ACA) Taxes

Additional Medicare Tax	0.9% tax on wages and self-employment income over:
Married filing jointly	\$250,000
Singles	\$200,000
Married filing separately	\$125,000

Net Investment Income Tax	Additional 3.8% tax on net investment income if Modified Adjusted Gross Income exceeds:
Married filing jointly	\$250,000
Singles	\$200,000
Married filing separately	\$125,000
Head of Household	\$200,000
Qualifying Widow(er)	\$250,000

Business

Standard Mileage Rates

Use	2020	2019
Business	57.5¢ per mile	58¢ per mile
Moving	17¢ per mile*	20¢ per mile*
Medical	17¢ per mile	20¢ per mile
Charitable	14¢ per mile	14¢ per mile

*For certain members of the US Armed Forces

Section 179 Expense

	2019
Maximum expense election	\$1,020,000
Phaseout threshold	\$2,550,000

Retirement & Social Security

Retirement Earnings

Under full retirement age	\$17,640
Full retirement age reached	No limit

If full retirement age is reached in 2019, the limit is \$46,920 for months prior to attainment.

Social Security

2019 Taxable Wage Base	\$132,900
2020 Taxable Wage Base	\$137,700

Retirement Plans

Individual Retirement Account (IRA)	\$6,000
<i>Age 50+ Additional Contribution</i>	\$1,000
401(k) plans	\$19,000
<i>Age 50+ Additional Contribution</i>	\$6,000

Investments

Capital gain and dividend tax rates	
Short-term capital gain rates (capital asset held one year or less)	same as ordinary income, rates up to 37%

General long-term capital gain rates
(capital asset held more than one year):

Taxpayers <i>in the 10% and 12% tax brackets</i>	0%
<i>in the 22%, 24%, 32% and 35% tax brackets</i>	15%
<i>in the 37% tax bracket</i>	20%

Maximum long-term capital gain rate
from the sale of real estate with unrecaptured depreciation (often referred to as unrecaptured Section 1250 property)

25%

Long-term capital gain rate for collectibles
and certain small business stock

28%

Qualified dividend income tax rates for taxpayers:

<i>in the 10% and 12% tax brackets</i>	0%
<i>in the 22%, 24%, 32% and 35% tax brackets</i>	15%
<i>in the 37% tax bracket</i>	20%

Estate and Gift Taxes

For 2019, the top estate tax rate is 40%, with an estate tax exemption amount of \$11.4 million.

For 2019, the annual gift tax exclusion is \$15,000 of an individual gift. Lifetime gift tax exemption is \$11.4 million.

College Savings Incentives

Section 529 plans

No federal tax need be paid on the income earned on amounts accumulated in a state-sponsored Section 529 plan. When withdrawals are made and used for qualified education expenses (college or up to \$10,000 of elementary or secondary school expenses), they won't be taxed either.

Coverdell Education Savings Accounts (CESAs)

You can contribute up to \$2,000 a year per child to a CESA. Earnings grow tax free as long as withdrawals are used for qualified education expenses. Eligibility to contribute the full amount phases out between a modified adjusted gross income (MAGI) of \$95,000 and \$110,000 (singles), between \$190,000 and \$220,000 (married filing jointly).

American Opportunity Tax Credit

The maximum American Opportunity Tax Credit is 100% of the first \$2,000 and 25% for the next \$2,000 of qualified tuition and related expenses. The credit phases out at MAGI of \$160,000 for marrieds filing jointly (\$80,000 for singles).

Lifetime Learning Credit

The maximum Lifetime Learning Credit is \$2,000, with the credit phasing out at modified adjusted gross income of \$114,000 for marrieds filing jointly (\$57,000 for singles).

US Savings Bonds income exclusion

For 2018 the income from certain US Savings Bonds used to pay qualified higher education expenses may be excluded from tax. Eligibility for the exclusion phases out from \$119,550 to \$149,550 for marrieds filing jointly, \$79,700 and \$94,700 for all other returns.

Interest deduction for education loans

A tax deduction is available for up to \$2,500 in qualified education loan interest. Eligibility for the deduction phases out between MAGI of more than \$65,000 and \$80,000 (singles), between \$135,000 and \$165,000 (marrieds filing jointly).



REFERENCE GUIDE

2019 Tax Rates
Retirement and Social Security
Affordable Care Act Taxes
Investments
College Savings Incentives

(512) 346-2086 | (877) 977-6850
www.atchleypas.com

Please note that this guide is intended for informational purposes only and does not constitute legal, accounting or other professional advice and assume no liability in connection with its use.