

2020 | Federal Tax Key Facts and Figures

INCOME TAXES

2019				2020			
If Taxable Income Is:				If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over	Over	But Not More Than	The Tax Is	Of the Amount Over
Married Filing Jointly:				Married Filing Jointly:			
\$0	\$19,400	\$0 + 10%	\$0	\$0	\$19,750	\$0 + 10%	\$0
19,400	78,950	1,940.00 + 12%	19,400	19,750	80,250	1,975.00 + 12%	19,750
78,950	168,400	9,086.00 + 22%	78,950	80,250	171,050	9,235.00 + 22%	80,250
168,400	321,450	28,765.00 + 24%	168,400	171,050	326,600	29,211.00 + 24%	171,050
321,450	408,200	65,497.00 + 32%	321,450	326,600	414,700	66,543.00 + 32%	326,600
408,200	612,350	93,257.00 + 35%	408,200	414,700	622,050	94,735.00 + 35%	414,700
612,350		164,709.50 + 37%	612,350	622,050		167,307.50 + 37%	622,050
Married Filing Separately:				Married Filing Separately:			
\$0	\$9,700	\$0 + 10%	\$0	\$0	\$9,875	\$0 + 10%	\$0
9,700	39,475	970.00 + 12%	9,700	9,875	40,125	987.50 + 12%	9,875
39,475	84,200	4,543.00 + 22%	39,475	40,125	85,525	4,617.50 + 22%	40,125
84,200	160,725	14,382.50 + 24%	84,200	85,525	163,300	14,605.50 + 24%	85,525
160,725	204,100	32,748.50 + 32%	160,725	163,300	207,350	33,271.50 + 32%	163,300
204,100	306,175	46,628.50 + 35%	204,100	207,350	311,025	47,367.50 + 35%	207,350
306,175		82,354.75 + 37%	306,175	311,025		83,653.75 + 37%	311,025
Head of Household:				Head of Household:			
\$0	\$13,850	\$0 + 10%	\$0	\$0	\$14,100	\$0 + 10%	\$0
13,850	52,850	1,385.00 + 12%	13,850	14,100	53,700	1,410.00 + 12%	14,100
52,850	84,200	6,065.00 + 22%	52,850	53,700	85,500	6,162.00 + 22%	53,700
84,200	160,700	12,962.00 + 24%	84,200	85,500	163,300	13,158.00 + 24%	85,500
160,700	204,100	31,322.00 + 32%	160,700	163,300	207,350	31,830.00 + 32%	163,300
204,100	510,300	45,210.00 + 35%	204,100	207,350	518,400	45,926.00 + 35%	207,350
510,300		152,380.00 + 37%	510,300	518,400		154,793.50 + 37%	518,400
Single:				Single:			
\$0	\$9,700	\$0 + 10%	\$0	\$0	\$9,875	\$0 + 10%	\$0
9,700	39,475	970.00 + 12%	9,700	9,875	40,125	987.50 + 12%	9,875
39,475	84,200	4,543.00 + 22%	39,475	40,125	85,525	4,617.50 + 22%	40,125
84,200	160,725	14,382.50 + 24%	84,200	85,525	163,300	14,605.50 + 24%	85,525
160,725	204,100	32,748.50 + 32%	160,725	163,300	207,350	33,271.50 + 32%	163,300
204,100	510,300	46,628.50 + 35%	204,100	207,350	518,400	47,367.50 + 35%	207,350
510,300		153,798.50 + 37%	510,300	518,400		156,235.00 + 37%	518,400
Estates and Trusts:				Estates and Trusts:			
\$0	\$2,600	\$0 + 10%	\$0	\$0	\$2,600	\$0 + 10%	\$0
2,600	9,300	260.00 + 24%	2,600	2,600	9,450	260.00 + 24%	2,600
9,300	12,750	1,868.00 + 35%	9,300	9,450	12,950	1,904.00 + 35%	9,450
12,750		3,075.50 + 37%	12,750	12,950		3,129.00 + 37%	12,950

OTHER TAX RATES

Long-Term Capital Gains and Qualified Dividends Tax Rates for Taxpayers with Taxable Income in the Specified Ranges*			
2019	0%	15%	20%
MFJ/SS	\$0 - \$78,750	\$78,751 - \$488,850	over \$488,850
MFS	\$0 - \$39,375	\$39,376 - \$244,425	over \$244,425
HoH	\$0 - \$52,750	\$52,751 - \$461,700	over \$461,700
Single	\$0 - \$39,375	\$39,376 - \$434,550	over \$434,550
E&T	\$0 - \$2,650	\$2,651 - \$12,950	over \$12,950
2020	0%	15%	20%
MFJ/SS	\$0 - \$80,000	\$80,001 - \$496,600	over \$496,600
MFS	\$0 - \$40,000	\$40,001 - \$248,300	over \$248,300
HoH	\$0 - \$53,600	\$53,601 - \$469,050	over \$469,050
Single	\$0 - \$40,000	\$40,001 - \$441,450	over \$441,450
E&T	\$0 - \$2,650	\$2,651 - \$13,150	over \$13,150

* Short-term gain taxed at ordinary rates.
* Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers).

- Kiddie Tax**
- Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and capital gain distributions; and child's gross income is less than \$11,000 in 2019 or \$11,000 in 2020 - use Form 8814 with parent's return.
 - If child files own return - use Form 8615 with child's return to calculate tax at estates and trusts tax rate.

	2019	2020	
First	\$1,100	\$1,100	No Tax
Next	\$1,100	\$1,100	Taxed at child's marginal rate
Amount Over	\$2,200	\$2,200	Taxed at estates and trusts tax rate

AMT Rates for Individuals			
	AMTI Threshold		AMT Rate
	2019	2020	
Single, MFJ, HoH	\$0 - \$194,800	\$0 - \$197,900	26%
	\$194,801 or more	\$197,901 or more	28%
MFS	\$0 - \$97,400	\$0 - \$98,950	26%
	\$97,401 or more	\$98,951 or more	28%
AMT Exemption			
	2019	2020	
Single, HoH	\$71,700	\$72,900	
MFJ, SS	\$111,700	\$113,400	
MFS	\$55,850	\$56,700	

SOCIAL SECURITY

Maximum Compensation Subject to FICA		
	2019	2020
OASDI Maximum	\$132,900	\$137,700
HI Maximum	No Limit	No Limit

- * OASDI tax rate - 2019 & 2020: 12.4% self-employed, 6.2% employees
- * HI tax rate* - 2019 & 2020: 2.9% self-employed, 1.45% employees
- * Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers)

Maximum Amount of Earnings to Still Receive Full Benefits		
	2019	2020
Under full retirement age	\$17,640	\$18,240

MAGI Amounts for Benefits to Be Taxable		
	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single, HOH, MFS Living Apart	\$25,000	\$34,000

EDUCATION INCENTIVES

- Tuition Deduction** - Absent legislation, no deduction available in 2019 or 2020.
- Student Loan Interest Deduction** - "Above-the-line" deduction up to \$2,500 (2019 and 2020); no time limit on deductibility period; subject to income limitations.
- Education Credits** - American Opportunity Credit is up to \$2,500 in 2019 and 2020 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid, up to \$2,000 per return for 2019 and 2020. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.
- Section 529 Plans (Qualified Tuition Programs)** - Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$15,000 for 2019; \$15,000 for 2020). Donor can elect to treat up to \$75,000 of the contribution in 2019 (\$75,000 in 2020) as if it had been made ratably over a 5-year period.
- Coverdell Education Savings Accounts (Education IRAs)** - Contribution limit is \$2,000 in 2019 and 2020; subject to income limitations.

DEDUCTIONS & EXEMPTIONS

Standard Deductions

	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2019	\$24,400	\$1,300
	2020	\$24,800	\$1,300
Married Filing Separately	2019	\$12,200	\$1,300
	2020	\$12,400	\$1,300
Head of Household	2019	\$18,350	\$1,650
	2020	\$18,650	\$1,650
Single	2019	\$12,200	\$1,650
	2020	\$12,400	\$1,650

Phaseout of Itemized Deductions Does Not Apply in 2019 or 2020

Code Sec. 179 Expense Allowance

	2019	2020
Dollar limitation	\$1,020,000	\$1,040,000
Investment limitation	\$2,550,000	\$2,590,000

Qualified Business Income Deduction Phase-In Thresholds

	Taxable Income Phase-In	
	2019	2020
MFJ	\$321,400 - \$421,400	\$326,600 - \$426,600
MFS	\$160,725 - \$210,725	\$163,300 - \$213,300
All Others	\$160,700 - \$210,700	\$163,300 - \$213,300

ESTATE & GIFT TAXES

	2019	2020
Annual Gift Tax Exclusion	\$15,000	\$15,000
for Noncitizen Spouses	\$155,000	\$157,000
Estate Tax Exclusion	\$11,400,000	\$11,580,000
Applicable Credit	\$4,505,800	\$4,577,800
Gift Tax Exclusion	\$11,400,000	\$11,580,000
Generation-Skipping Transfer Tax Exemption	\$11,400,000	\$11,580,000

CREDITS & EXCLUSIONS

Child Tax Credit

	2019	2020
Credit Amount	\$2,000	\$2,000
Refundable Amount	\$1,400	\$1,400
Phases out \$50 for each \$1,000 AGI over \$400,000 (married filing jointly), \$200,000 (all other taxpayers).		

Foreign Income

	2019	2020
Foreign earned income exclusion	\$105,900	\$107,600
Maximum foreign housing exclusion of qualified housing expenses	\$14,826 (\$31,770 - \$16,944)	\$15,064 (\$32,280 - \$17,216)

INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:

- 90% of current tax,
- 100% of prior year's tax, or
- 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
 - Annualization exception
 - No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year

IRAs

Contribution Limits - Traditional and Roth

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

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

Roth IRAs

MAGI Phaseout Ranges for Contributions to Roth IRAs	2019	2020
Married Filing Jointly	\$193,000 - \$203,000	\$196,000 - \$206,000
Single, Head of Household	\$122,000 - \$137,000	\$124,000 - \$139,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000

Traditional IRA Deductibility Rules

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2019	2020	
Single, HoH	No	Any amount	Any amount	Full deduction
	Yes	\$64,000 or less \$64,001 - \$73,999 \$74,000 or more	\$65,000 or less \$65,001 - \$74,999 \$75,000 or more	Full deduction Partial deduction No deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$103,000 or less \$103,001 - \$122,999 \$123,000 or more	\$104,000 or less \$104,001 - \$123,999 \$124,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for covered spouse	\$103,000 or less \$103,001 - \$122,999 \$123,000 or more	\$104,000 or less \$104,001 - \$123,999 \$124,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$193,000 or less \$193,001 - \$202,999 \$203,000 or more	\$196,000 or less \$196,001 - \$205,999 \$206,000 or more	Full deduction Partial deduction No deduction
Married Filing Separately, lived together for any part of the year (if spouses lived separately throughout year, treated as Single)	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction

QUALIFIED PLANS

	2019	2020
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b))	\$19,000	\$19,500
Maximum elective deferral to SIMPLE IRAs	\$13,000	\$13,500
Maximum elective deferral to 457 plans or exempt employers	\$19,000	\$19,500
Limit on annual additions to Keogh plans and SEP-IRAs	\$56,000	\$57,000
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
Threshold amount for definition of key employee in top-heavy plans	\$180,000	\$185,000
Catch-up Contribution Limits*		
401(k), 403(b), SARSEP and 457 plans	\$6,000	\$6,500
SIMPLE plans	\$3,000	\$3,000

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

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