

# 2021 | Federal Tax Key Facts and Figures

## INCOME TAXES

2020			
If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>			
\$0	\$19,750	\$0 + 10%	\$0
19,750	80,250	1,975.00 + 12%	19,750
80,250	171,050	9,235.00 + 22%	80,250
171,050	326,600	29,211.00 + 24%	171,050
326,600	414,700	66,543.00 + 32%	326,600
414,700	622,050	94,735.00 + 35%	414,700
622,050		167,307.50 + 37%	622,050
<b>Married Filing Separately:</b>			
\$0	\$9,875	\$0 + 10%	\$0
9,875	40,125	987.50 + 12%	9,875
40,125	85,525	4,617.50 + 22%	40,125
85,525	163,300	14,605.50 + 24%	85,525
163,300	207,350	33,271.50 + 32%	163,300
207,350	311,025	47,367.50 + 35%	207,350
311,025		83,653.75 + 37%	311,025
<b>Head of Household:</b>			
\$0	\$14,100	\$0 + 10%	\$0
14,100	53,700	1,410.00 + 12%	14,100
53,700	85,500	6,162.00 + 22%	53,700
85,500	163,300	13,158.00 + 24%	85,500
163,300	207,350	31,830.00 + 32%	163,300
207,350	518,400	45,926.00 + 35%	207,350
518,400		154,793.50 + 37%	518,400
<b>Single:</b>			
\$0	\$9,875	\$0 + 10%	\$0
9,875	40,125	987.50 + 12%	9,875
40,125	85,525	4,617.50 + 22%	40,125
85,525	163,300	14,605.50 + 24%	85,525
163,300	207,350	33,271.50 + 32%	163,300
207,350	518,400	47,367.50 + 35%	207,350
518,400		156,235.00 + 37%	518,400
<b>Estates and Trusts:</b>			
\$0	\$2,600	\$0 + 10%	\$0
2,600	9,450	260.00 + 24%	2,600
9,450	12,950	1,904.00 + 35%	9,450
12,950		3,129.00 + 37%	12,950

2021			
If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>			
\$0	\$19,900	\$0 + 10%	\$0
19,900	81,050	1,990.00 + 12%	19,900
81,050	172,750	9,328.00 + 22%	81,050
172,750	329,850	29,502.00 + 24%	172,750
329,850	418,850	67,206.00 + 32%	329,850
418,850	628,300	95,686.00 + 35%	418,850
628,300		168,993.50 + 37%	628,300
<b>Married Filing Separately:</b>			
\$0	\$9,950	\$0 + 10%	\$0
9,950	40,525	995.00 + 12%	9,950
40,525	86,375	4,664.00 + 22%	40,525
86,375	164,925	14,751.00 + 24%	86,375
164,925	209,425	33,603.00 + 32%	164,925
209,425	314,150	47,843.00 + 35%	209,425
314,150		84,496.75 + 37%	314,150
<b>Head of Household:</b>			
\$0	\$14,200	\$0 + 10%	\$0
14,200	54,200	1,420.00 + 12%	14,200
54,200	86,350	6,220.00 + 22%	54,200
86,350	164,900	13,293.00 + 24%	86,350
164,900	209,400	32,145.00 + 32%	164,900
209,400	523,600	46,385.00 + 35%	209,400
523,600		156,355.00 + 37%	523,600
<b>Single:</b>			
\$0	\$9,950	\$0 + 10%	\$0
9,950	40,525	995.00 + 12%	9,950
40,525	86,375	4,664.00 + 22%	40,525
86,375	164,925	14,751.00 + 24%	86,375
164,925	209,425	33,603.00 + 32%	164,925
209,425	523,600	47,843.00 + 35%	209,425
523,600		157,804.25 + 37%	523,600
<b>Estates and Trusts:</b>			
\$0	\$2,650	\$0 + 10%	\$0
2,650	9,550	265.00 + 24%	2,650
9,550	13,050	1,921.00 + 35%	9,550
13,050		3,146.00 + 37%	13,050

## OTHER TAX RATES

Long-Term Capital Gains and Qualified Dividends Tax Rates for Taxpayers with Taxable Income in the Specified Ranges*			
2020	0%	15%	20%
MJ/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
2021	0%	15%	20%
MJ/SS	\$0 - \$80,800	\$80,801 - \$501,600	over \$501,600
MFS	\$0 - \$40,400	\$40,401 - \$250,800	over \$250,800
HoH	\$0 - \$54,100	\$54,101 - \$473,750	over \$473,750
Single	\$0 - \$40,400	\$40,401 - \$445,850	over \$445,850
E&T	\$0 - \$2,700	\$2,701 - \$13,250	over \$13,250

\* 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			
2020	2021		
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 parent's marginal rate

AMT Rates for Individuals

	AMTI Threshold		AMT Rate
	2020	2021	
Single, MJ, HoH	\$0 - \$197,900	\$0 - \$199,900	26%
	\$197,901 or more	\$199,901 or more	28%
MFS	\$0 - \$98,950	\$0 - \$99,950	26%
	\$98,951 or more	\$99,951 or more	28%

	AMT Exemption	
	2020	2021
Single, HoH	\$72,900	\$73,600
MJ, SS	\$113,400	\$114,600
MFS	\$56,700	\$57,300

## EDUCATION INCENTIVES

**Tuition and Fees Deduction** – “Above-the-line” deduction up to \$4,000 for qualified tuition and related expenses in 2020. No deduction available in 2021.

**Student Loan Interest Deduction** – “Above-the-line” deduction up to \$2,500 (2020 and 2021); no time limit on deductibility period; subject to income limitations.

**Education Credits** – American Opportunity Credit is up to \$2,500 in 2020 and 2021 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 2020 and 2021. 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 2020; \$15,000 for 2021). Donor can elect to treat up to \$75,000 of the contribution in 2020 (\$75,000 in 2021) as if it had been made ratably over a 5-year period.

**Coverdell Education Savings Accounts (Education IRAs)** – Contribution limit is \$2,000 in 2020 and 2021; subject to income limitations

## SOCIAL SECURITY

### Maximum Compensation Subject to FICA

	2020	2021
OASDI Maximum	\$137,700	\$142,800
HI Maximum	No Limit	No Limit

• OASDI tax rate – 2020 & 2021: 12.4% self-employed, 6.2% employees  
• HI tax rate\* – 2020 & 2021: 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

	2020	2021
Under full retirement age	\$18,240	\$18,960

### 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

## DEDUCTIONS & EXEMPTIONS

### Standard Deduction

	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2020	\$24,800	\$1,300
	2021	\$25,100	\$1,350
Married Filing Separately	2020	\$12,400	\$1,300
	2021	\$12,550	\$1,350
Head of Household	2020	\$18,650	\$1,650
	2021	\$18,800	\$1,700
Single	2020	\$12,400	\$1,650
	2021	\$12,550	\$1,700

Phaseout of Itemized Deductions Does Not Apply in 2020 or 2021

### Code Sec. 179 Expense Allowance

	2020	2021
Dollar limitation	\$1,040,000	\$1,050,000
Investment limitation	\$2,590,000	\$2,620,000

### Qualified Business Income Deduction Phase-In Thresholds

	Taxable Income Phase-In	
	2020	2021
MFJ	\$326,600 - \$426,600	\$329,800 - \$429,800
MFS	\$163,300 - \$213,300	\$164,925 - \$214,925
All Others	\$163,300 - \$213,300	\$164,900 - \$214,900

## ESTATE & GIFT TAXES

	2020	2021
Annual Gift Tax Exclusion	\$15,000	\$15,000
for Noncitizen Spouses	\$157,000	\$159,000
Estate Tax Exclusion	\$11,580,000	\$11,700,000
Applicable Credit	\$4,577,800	\$4,625,800
Gift Tax Exclusion	\$11,580,000	\$11,700,000
Generation-Skipping Transfer Tax Exemption	\$11,580,000	\$11,700,000

## CREDITS & EXCLUSIONS

### Child Tax Credit

	2020	2021
Credit Amount	\$2,000	\$3,000*
Refundable Amount	\$1,400	\$3,000*

\*\$3,600 in the case of a child under age 6.

Additional \$1,000 (or \$1,600, as applicable) amount for 2021 phases out \$50 for each \$1,000 AGI over \$150,000 (MFJ/SS), \$112,500 (HOH), \$75,000 (all others)

\$2,000 credit amount for 2020 and 2021 phases out \$50 for each \$1,000 AGI over \$400,000 (MFJ), \$200,000 (all others)

### Foreign Income

	2020	2021
Foreign earned income exclusion	\$107,600	\$108,700
Maximum foreign housing exclusion of qualified housing expenses	\$15,064 (\$32,280 - \$17,216)	\$15,218 (\$32,610 - \$17,392)

## 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

	2020	2021
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	2020	2021
Married Filing Jointly	\$196,000 - \$206,000	\$198,000 - \$208,000
Single, Head of Household	\$124,000 - \$139,000	\$125,000 - \$140,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000

### Traditional IRA Deductibility Rules

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2020	2021	
Single, HoH	No	Any amount	Any amount	Full deduction
	Yes	\$65,000 or less \$65,001 - \$74,999 \$75,000 or more	\$66,000 or less \$66,001 - \$75,999 \$76,000 or more	Full deduction Partial deduction No deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$104,000 or less \$104,001 - \$123,999 \$124,000 or more	\$105,000 or less \$105,001 - \$124,999 \$125,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for covered spouse	\$104,000 or less \$104,001 - \$123,999 \$124,000 or more	\$105,000 or less \$105,001 - \$124,999 \$125,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$196,000 or less \$196,001 - \$205,999 \$206,000 or more	\$198,000 or less \$198,001 - \$207,999 \$208,000 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

	2020	2021
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b))	\$19,500	\$19,500
Maximum elective deferral to SIMPLE IRAs	\$13,500	\$13,500
Maximum elective deferral to 457 plans or exempt employers	\$19,500	\$19,500
Limit on annual additions to Keogh plans and SEP-IRAs	\$57,000	\$58,000
Limit on annual additions to defined contribution plans	\$57,000	\$58,000
Maximum annual compensation taken into account for contributions	\$285,000	\$290,000
Annual benefit limit under defined benefit plans	\$230,000	\$230,000
Threshold amount for definition of highly compensated employee	\$130,000	\$130,000
Threshold amount for definition of key employee in top-heavy plans	\$185,000	\$185,000

### Catch-up Contribution Limits\*

401(k), 403(b), SARSEP and 457 plans	\$6,500	\$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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