



# 2020 Tax Facts At-a-Glance

## Income Taxes

2019

### If Taxable Income Is:

Over	But Not Over	The Tax Is	Of Excess Over
<b>Married Filing Jointly</b>			
\$0	\$19,400	\$0.00 + 10%	\$0
19,400	78,950	1,940.00 + 12%	19,400
78,950	168,400	9,086.00 + 22%	78,950
168,400	321,450	28,765.00 + 24%	168,400
321,450	408,200	65,497.00 + 32%	321,450
408,200	612,350	93,257.00 + 35%	408,200
612,350	And Over	164,709.50 + 37%	612,350
<b>Single</b>			
\$0	9,700	\$0.00 + 10%	\$0
9,700	39,475	970.00 + 12%	9,700
39,475	84,200	4,543.00 + 22%	39,475
84,200	160,725	14,382.50 + 24%	84,200
160,725	204,100	32,748.50 + 32%	160,725
204,100	510,300	46,628.50 + 35%	204,100
510,300	And Over	153,798.50 + 37%	510,300

### Estates and Trusts

\$0	\$2,600	\$0.00 + 10%	\$0
2,600	9,300	260.00 + 24%	2,600
9,300	12,750	1,868.00 + 35%	9,300
12,750	And Over	3,075.50 + 37%	12,750

### Corporate Tax Rate

2019 2020

Corporate Flat Tax Amount 21% 21%

### S.S./Medicare Payroll Tax and Benefits

2019 2020

**Max. Taxable Wage Base for S.S.** \$132,900 \$137,700  
 Employee Tax Rate 6.2% 6.2%  
 Self-Employed Tax Rate 12.4% 12.4%

### Medicare Payroll Tax

Employee Tax Rate (Initial/Over) 1.45% / 2.35% 1.45% / 2.35%  
 Self-Employed Tax Rate (Initial/Over) 2.90% / 3.80% 2.90% / 3.80%

### Additional .9% Medicare Payroll Tax - Taxable Wage Base Thresholds

Married Filing Jointly \$250,000 \$250,000  
 Single / Head of Household 200,000 200,000  
 Married Filing Separately 125,000 125,000

### Taxable Portion of S.S. Benefits (Up to 85% taxable if provisional income is more than)

Married Filing Jointly \$44,000 \$44,000  
 Single 34,000 34,000

### Maximum Earned Income Before S.S. Benefits are Reduced

Under Full Retirement Age \$17,640 \$18,240  
 (Lose \$1 for every \$2 of earnings) 1,470/month 1,520/month

### Cap Gains<sup>1</sup> & Dividends

2019 2020

	Rate	2019	2020
<b>Married Filing Jointly</b>			
	0%	\$0-78,750	\$0-80,000
	15%	78,751-488,850	80,001-496,600
	20%	Over 488,850	Over 496,600
<b>Single</b>			
	0%	\$0-39,375	\$0-40,000
	15%	39,376-434,550	40,001-441,450
	20%	Over 434,550	Over 441,450

<sup>1</sup>Assets held at least 12 months and qualified dividends

### Child Tax Credits

2019 2020

Amount Per Child Under Age 17 \$2,000 \$2,000

### Phase-Out \$50 for each \$1,000 of Modified AGI Over:

Married Filing Jointly \$400,000  
 Single / Married Filing Separately 200,000

2020

### If Taxable Income Is:

Over	But Not Over	The Tax Is	Of Excess Over
<b>Married Filing Jointly</b>			
\$0	\$19,750	\$0.00 + 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	And Over	167,307.50 + 37%	622,050
<b>Single</b>			
\$0	9,875	\$0.00 + 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	And Over	156,235.00 + 37%	518,400

### Estates and Trusts

\$0	\$2,600	\$0.00 + 10%	\$0
2,600	9,450	260.00 + 24%	2,600
9,450	12,950	1,904.00 + 35%	9,450
12,950	And Over	3,129.00 + 37%	12,950

### Estate and Gift Taxes

2019 2020

**Top Estate Tax Rate** 40% 40%  
**Annual Gift Tax Exclusion, per donee** \$15,000 \$15,000  
**Annual Gift Tax Exclusion, Non-citizen Spouse** 155,000 157,000  
**Estate & Gift Tax Applicable Exclusion Amount<sup>2</sup>** 11,400,000 11,580,000

<sup>2</sup>Sunsetts December 31, 2025.

### Standard Deductions

2019 2020

**Married Filing Jointly** \$24,400 \$24,800  
**Head of Household** 18,350 18,650  
**Single/Married Filing Separately** 12,200 12,400  
**Additional (Age 65/older, or blind)**  
 Married (for each qualifying taxpayer) 1,300 1,300  
 Single, not surviving spouse 1,650 1,650

### Qualified Business Income Thresholds<sup>3</sup>

2019 2020

**Married Filing Jointly** \$321,400 \$326,600  
**Married Filing Separately** 160,725 163,300  
**Single/Head of Household** 160,700 163,300

<sup>3</sup>Beginning in 2018, owners of pass-through entities are taxed on business income at their individual income tax rates, but may claim a 20% deduction of their share of the business income—even if they elect to use the standard deduction instead of itemizing. A number of "specified service trades or businesses" do not qualify for the deduction, subject to the above thresholds on qualified business income.

(The deduction may be limited or eliminated where taxable income is above the thresholds, depending on type of business, owner's compensation, and depreciable business property.)

### Alternative Minimum Tax

2019 2020

**Married Filing Jointly Exemption** \$111,700 \$113,400  
**Married Filing Separately Exemption** 55,850 56,700  
**Single/Head of Household Exemption** 71,700 72,900

#### Phased Out Thresholds:

Married Filing Jointly 1,020,600 1,036,800  
 All Others 510,300 518,400

#### AMT Rate (Income in Excess of Exemption)

26% \$194,800 \$197,900  
 28% Over 194,800 Over 197,900  
 Married Filing Separately  
 26% \$97,400 \$98,950  
 28% Over 97,400 Over 98,950

# 2020 Tax Facts At-a-Glance

## Retirement Plans and Education Savings

Qualified Retirement Plans	2019	2020
<b>SEP Plan Participant Max % of Comp<sup>4</sup></b>	25%	25%
SEP Per Participant Max \$ Allocation Limit	\$56,000	\$57,000
SEP Minimum Compensation	600	600
<sup>4</sup> 20% if self employed		
<b>SIMPLE IRA Employee Contribution</b>	\$13,000	\$13,500
SIMPLE IRA Catch-Up – Age 50+	3,000	3,000
<b>401(k) / 457 Plan Elective Employee Deferral</b>	19,000	19,500
401(k) / 457 Plan Catch-Up – Age 50+	6,000	6,500
<b>403(b) TSA Elective Employee Deferral</b>	19,000	19,500
403(b) TSA Catch-Up – Age 50+	6,000	6,500
403(b) TSA Catch-Up – 15+ Yrs w/ Current Employer	3,000	3,000
<b>Defined Contribution Plan</b>		
Max \$ Limit Per Participant	\$56,000	\$57,000
Max Deduction % of Eligible Payroll	25%	25%
<b>Defined Benefit Plan Maximum Benefit</b>	225,000	230,000
<b>Covered Compensation Limit</b>	280,000	285,000
<b>Highly Compensated Employee</b>	125,000	130,000

IRAs	2019	2020
<b>Traditional or Roth IRA Contribution</b>	\$6,000	\$6,000
IRA Catch-Up – Age 50+	1,000	1,000
<b>Phase-Out Range for Deductible Contributions to Traditional IRAs<sup>5</sup></b>		
Married Filing Jointly	\$103,000-123,000	\$104,000-124,000
Single/Head of Household	64,000-74,000	65,000-75,000
Married Filing Separately	0-10,000	0-10,000
<sup>5</sup> For active participants in another retirement plan		
<b>Phase-Out Range for Contributions to Roth IRAs</b>		
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

Education Incentives <sup>6</sup>	2019	2020
<b>American Opportunity Credit (This is a modification of the Hope Credit)</b> (100% credit for first \$2,000 of eligible expenses and 25% of additional \$2,000 of expenses)	\$2,500	\$2,500
<b>Lifetime Learning Credit</b>	2,000	2,000
<b>Modified AGI Phase-Outs for:</b>		
<b>American Opportunity Credit</b>		
Married Filing Jointly	\$160,000-180,000	\$160,000-180,000
Others	80,000-90,000	80,000-90,000
<b>Lifetime Learning Credits</b>		
Married Filing Jointly	\$116,000-136,000	\$118,000-138,000
Others	58,000-68,000	59,000-6,000
<b>Phase-Outs for Exclusion of U.S. Savings Bond Income</b>		
Married Filing Jointly	\$121,600-151,600	\$123,550-153,550
Others	81,100-96,100	82,350-97,350
<sup>6</sup> Income Limits are based on current information as released by the IRS. (See IRS Pub 970 for complete explanation including exceptions)		

Required Minimum Distributions (Uniform Table)							
Age	Factor	Age	Factor	Age	Factor	Age	Factor
70	27.4	81	17.9	92	10.2	103	5.2
71	26.5	82	17.1	93	9.6	104	4.9
72	25.6	83	16.3	94	9.1	105	4.5
73	24.7	84	15.5	95	8.6	106	4.2
74	23.8	85	14.8	96	8.1	107	3.9
75	22.9	86	14.1	97	7.6	108	3.7
76	22.0	87	13.4	98	7.1	109	3.4
77	21.2	88	12.7	99	6.7	110	3.1
78	20.3	89	12.0	100	6.3	111	2.9
79	19.5	90	11.4	101	5.9	112	2.6
80	18.7	91	10.8	102	5.5	113	2.4

## SECURE Act Highlights (tax years beginning after 2019)

**Delay required minimum distribution (RMD) date.** Currently, plan participants and IRA owners must generally begin taking distributions at age 70½. The SECURE Act delays RMDs until age 72, for those who reach 70½ in 2020 or after.

**Repeal age limitations for Traditional IRA contributions.** The legislation recognizes that more Americans are living longer and working past normal retirement age. As a result, the SECURE Act will permit those working over age 70½ to contribute to a traditional IRA for tax year 2020.

**Eliminate “Stretch” IRAs.** To help pay for the legislation, the SECURE Act will require most beneficiaries to completely withdraw inherited IRAs and retirement plans within 10 years and pay the resulting income tax liability. The 10-year rule would not apply to some beneficiaries such as surviving spouses, disabled individuals, minors and those who are not more than 10 years younger than the account owner.

Coverdell Education Savings Accts	2019	2020
<b>Maximum Contribution</b>	\$2,000/ beneficiary	\$2,000/ beneficiary
<b>Phase-Out Range</b>		
Married Filing Jointly	\$190,000-220,000	\$190,000-220,000
Single	95,000-110,000	95,000-110,000

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