

'20 Tax

REFERENCE SHEET

Wealth Management CPAs
Salt Lake City, UT
(801) 272-4357
www.wealthcpas.com

Tax Brackets for 2020

Taxable income (i.e., income minus deductions and credits) between:

Married, Joint

\$0-\$19,750	10%
\$19,751-\$80,250	12%
\$80,251-\$171,050	22%
\$171,051-\$326,600	24%
\$326,601-\$414,700	32%
\$414,701-\$622,050	35%
over \$622,050	37%
Capital gains/qualified dividends	
\$0-\$80,000	0%
\$80,001-\$496,600	15%
over \$496,600	20%

Single

\$0-\$9,875	10%
\$9,876-\$40,125	12%
\$40,126-\$85,525	22%
\$85,526-\$163,300	24%
\$163,301-\$207,350	32%
\$207,351-\$518,400	35%
over \$518,400	37%
Capital gains/qualified dividends	
\$0-\$40,000	0%
\$40,001-\$441,450	15%
over \$441,450	20%

Married, Separate

\$0-\$9,875	10%
\$9,876-\$40,125	12%
\$40,126-\$85,525	22%
\$85,526-\$163,300	24%
\$163,301-\$207,350	32%
\$207,351-\$311,025	35%
over \$311,025	37%
Capital gains/qualified dividends	
\$0-\$40,000	0%
\$40,001-\$248,300	15%
over \$248,300	20%

Head of Household (HOH)

\$0-\$14,100	10%
\$14,101-\$53,700	12%
\$53,701-\$85,500	22%
\$85,501-\$163,300	24%
\$163,301-\$207,350	32%
\$207,351-\$518,400	35%
over \$518,400	37%
Capital gains/qualified dividends	
\$0-\$53,600	0%
\$53,601-\$469,050	15%
over \$469,050	20%

Estates and Trusts

\$0-\$2,600	10%
\$2,601-\$9,450	24%
\$9,451-\$12,950	35%
over \$12,950	37%
Capital gains/qualified dividends	
\$0-\$2,650	0%
\$2,651-\$13,150	15%
over \$13,150	20%

Corporate Tax Rate

21%

Standard Deduction

Married, joint	\$24,800
Single; married, separate	\$12,400
Head of household	\$18,650
Blind or over 65: add \$1,300 if married \$1,650 if single or head of household	

Child/Dependent Tax Credit

Child	\$2,000 per child up to \$1,400 refundable
Qualifying dependent	\$500 per dependent, nonrefundable

Mortgage Interest Deduction

On acquisition indebtedness up to \$750,000 for 1st and 2nd homes.
No deduction for home equity indebtedness.

State and Local Tax Deduction Limit

State and local income and property tax deduction	\$10,000
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Alternative Minimum Tax Exemption Amount

Married, joint	\$113,400
Single, HOH	\$72,900
Married, separate	\$56,700

IRA and Pension Plan Limits

IRA contribution	
Under age 50	\$6,000
Age 50 and over	\$7,000
Phaseout for deducting IRA contribution	
Married, joint	\$104,000-\$124,000 MAGI
Single, HOH	\$65,000-\$75,000 MAGI
Married, separate	\$0-\$10,000 MAGI
Phaseout for deducting spousal IRA	
	\$196,000-\$206,000 MAGI
Phaseout of Roth contribution eligibility	
Married, joint	\$196,000-\$206,000 MAGI
Single, HOH	\$124,000-\$139,000 MAGI
Married, separate	\$0-\$10,000 MAGI

SEP contribution	
Up to 25% of compensation, limit	\$57,000
Compensation to participate in SEP	\$600
SIMPLE elective deferral	
Under age 50	\$13,500
Age 50 and over	\$16,500

401(k), 403(b) ² , 457 and SARSEP elective deferral under age 50	\$19,500
401(k), 403(b) ² , 457 ³ and SARSEP elective deferral age 50 and over	\$26,000

Annual defined contribution limit	\$57,000
Annual defined benefit limit	\$230,000
Highly compensated employee	\$130,000
Key Employee in top heavy plans	\$185,000

Annual compensation taken into account for qualified plans \$285,000

Retirement Tax Credit: A percent tax credit for an IRA, 401(k), 403(b) or 457 plan contribution, in addition to deduction or exclusion, if	
Married, joint	Below \$65,000 AGI
Head of household	Below \$48,750 AGI
Single; married, separate	Below \$32,500 AGI

Maximum qualified longevity annuity contract (QLAC) premium \$135,000

Gift and Estate Tax

Gift tax annual exclusion	\$15,000
Estate and gift tax rate	40%
Estate tax exemption	\$11,580,000
Lifetime gift exemption	\$11,580,000
GST exemption	\$11,580,000
Annual exclusion for gifts to noncitizen spouse	\$157,000

Additional Medicare Tax Where Income Exceeds \$200,000 (\$250,000 married, joint)

Additional tax on excess of earned income ⁴	0.9%
Additional tax on Net Investment Income ⁵	3.8%

Health Care

Eligible Long-Term Care	Deduction Limit
Age 40 or less	\$430
Ages 41 to 50	\$810
Ages 51 to 60	\$1,630
Ages 61 to 70	\$4,350
Ages over 70	\$5,430

Per Diem Limitation for LTC Benefits

\$380

- Assumes individual or spouse also participates in an employer-sponsored retirement plan.
- Special increased limit may apply to certain 403(b) contributors with 15 or more years of service.
- In last 3 years prior to year of retirement, 457 plan participant may be able to double elective deferral if needed to catch up on prior missed contributions, but if they do, they cannot use catch up.
- Total Employee Medicare Tax is 1.45% + 0.9% = 2.35%.
- Including interest, dividends, capital gains and annuity distributions.



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Education

Coverdell Education Savings Account \$2,000
 Coverdell contribution eligibility phaseout
 Married, joint \$190,000 –\$220,000
 All others \$95,000 –\$110,000

Student loan interest deduction limit \$2,500
 Interest deduction is phased out
 Married, joint \$140,000– \$170,000 MAGI
 All others \$70,000 –\$85,000 MAGI

Phaseout of Lifetime Learning Credits
 Married, joint \$118,000 –\$138,000
 All others \$59,000 –\$69,000

Tax-free savings bonds interest phased out
 Married, joint \$123,550–\$153,550 MAGI
 All others \$82,350– \$97,350 MAGI

Social Security ⁶

Amount Needed to Earn One Credit \$1,410

Amount Needed to Earn Four Credits \$5,640

Social Security and Medicare Tax Rates
 Employee 7.65%
 Employer 7.65%
 Self-Employed 15.30%

Maximum Monthly Retirement Benefit at Full Retirement Age \$3,011
 Cost of Living Adjustment 1.6%

Maximum earnings (during work years) subject to tax \$137,700

Income ⁷ (in retirement) causing Social Security benefits to be taxable
 Married, joint
 50% taxable \$32,000 MAGI
 85% taxable \$44,000 MAGI
 Single
 50% taxable \$25,000 MAGI
 85% taxable \$34,000 MAGI

Loss of Social Security retirement benefits:
 In years prior to full retirement age, \$1 in benefits will be reduced for every \$2 of earnings in excess of \$18,240. In the year of full retirement age, \$1 in benefits will be reduced for every \$3 of earnings in excess of \$48,600 (applies only to months of earnings prior to full retirement age). There is no limit on earnings beginning the month an individual attains full retirement age.

Average Monthly Benefit (December 2018)

Average Monthly Retirement Benefit
 Men \$1,627
 Women \$1,297
 Average Monthly Survivor Benefit
 Men \$1,227
 Women \$1,394

Source: Fast Facts and Figures about Social Security, 2019.

6. Source: Social Security Administration, www.ssa.gov, 12/21/2019.

7. Income is most income including muni bond interest but only 1/2 of Social Security.

Uniform Lifetime Table

Use to calculate Required Minimum Distributions* from IRAs and qualified plans during owner's life. If owner has spousal beneficiary more than 10 years younger, use instead Joint Life Table from IRS Pub. 590.

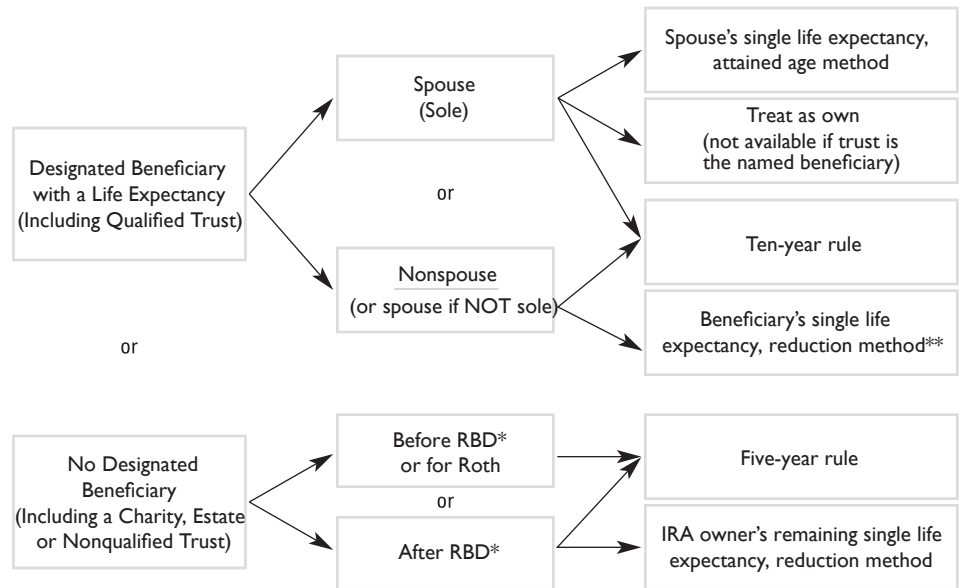
Taxpayer's Age	Life Expectancy	Taxpayer's Age	Life Expectancy
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115+	1.9

Single Life Table

Use to calculate Required Minimum Distributions* from IRAs and qualified plans after owner's death. See IRS Pub. 590 for complete table of ages 0 through 111+.

Age	Life Expectancy	Age	Life Expectancy
39	44.6	63	22.7
40	43.6	64	21.8
41	42.7	65	21.0
42	41.7	66	20.2
43	40.7	67	19.4
44	39.8	68	18.6
45	38.8	69	17.8
46	37.9	70	17.0
47	37.0	71	16.3
48	36.0	72	15.5
49	35.1	73	14.8
50	34.2	74	14.1
51	33.3	75	13.4
52	32.3	76	12.7
53	31.4	77	12.1
54	30.5	78	11.4
55	29.6	79	10.8
56	28.7	80	10.2
57	27.9	81	9.7
58	27.0	82	9.1
59	26.1	83	8.6
60	25.2	84	8.1
61	24.4	85	7.6
62	23.5	86	7.1

IRA Beneficiary Options



*RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or SIMPLE IRA holder reached age 72). Change in required beginning date (RBD) for required minimum distributions (RMDs) made pursuant to the terms of the SECURE Act, effective 1/1/2020.

** Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child's age of majority), disabled, chronically ill or not more than 10 years younger than the deceased IRA owner

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