

Tax Facts and Figures



CS Accounting

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2020 Fe	lera	l Tay Ra	ate	Sched	ules				
Single Tax			alu	Jonean	uics				
\$ 0	to	9,875	×	10.0%	minus	\$	0.00	=	Tax
9,876	to	40,125	×	12.0%	minus	Ψ	197.50	=	Tax
40,126		85,525	×	22.0%	minus		4,210.00	=	Tax
85,526		163,300	×	24.0%	minus		5,920.50	=	Tax
163,301	to	207,350	×	32.0%	minus		8,984.50	=	Tax
207,351	to	518,400	×	35.0%	minus		5,205.00	=	Tax
518,401	and	d over	×	37.0%	minus	3	5,573.00	=	Tax
MFJ or QV	N Tax	able Inco	me						
\$ 0	to	19,750	×	10.0%	minus	\$	0.00	=	Tax
19,751	to	80,250	×	12.0%	minus		395.00	=	Tax
80,251	to	171,050	×	22.0%	minus		8,420.00	=	Tax
171,051	to	326,600	×	24.0%	minus	1	1,841.00	=	Tax
326,601	to	414,700	×	32.0%	minus	3	7,969.00	=	Tax
414,701	to	622,050	×	35.0%	minus	5	0,410.00	=	Tax
622,051	and	d over	×	37.0%	minus	6	2,851.00	=	Tax
MFS Taxa	ble In	ncome							
\$ 0	to	9,875	×	10.0%	minus	\$	0.00	=	Tax
9,876	to	40,125	×	12.0%	minus		197.50	=	Tax
40,126	to	85,525	×	22.0%	minus		4,210.00	=	Tax
85,526	to	163,300	×	24.0%	minus	!	5,920.50	=	Tax
163,301	to	207,350	×	32.0%	minus	18	8,984.50	=	Tax
207,351	to	311,025	×	35.0%	minus	2	5,205.00	=	Tax
311,026	and	d over	×	37.0%	minus	3	1,425.50	=	Tax
HOH Taxable Income									
\$ 0	to	14,100	×	10.0%	minus	\$	0.00	=	Tax
14,101	to	53,700	×	12.0%	minus		282.00	=	Tax
53,701	to	85,500	×	22.0%	minus	!	5,652.00	=	Tax
85,501	to	163,300	×	24.0%	minus		7,362.00	=	Tax
163,301	to	207,350	×	32.0%	minus	2	0,426.00	=	Tax
207,351	to	518,400	×	35.0%	minus		6,646.50	=	Tax
518,401	and	d over	×	37.0%	minus	3	7,014.50	=	Tax

Additional Medicare Tax

0.9% additional tax on wage income above threshold

Filing status	Single, HOH, QW	MFJ	MFS		
Threshold amount	\$200,000	\$250,000	\$125,000		

2020 Personal Exemptions

The personal exemption deduction per person is \$0 The qualifying relative income limit is \$4,300

The phaseout of the personal exemption deduction is suspended for tax years 2018 through 2025.

2020 Standard Deduction

The basic standard deduction for 2020 IS:	
Single or MFS	\$12,400
MFJ or QW	\$24,800
НОН	\$18,650
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Age 65 and/or blind. The additional amounts for age 65 or older and/or blind, per person, per event in 2020 are:

MFJ, QW, or MFS \$1,300 Single or HOH \$1,650

Dependent. The standard deduction in 2020 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,100, or earned income plus \$350.

Child Tax Credit and Credit for Other Dependents

Child Tax Credit	\$2,000 per qualifying child.		
Maximum refundable portion of Child Tax Credit	\$1,400 per qualifying child.		
Child Tax Credit phaseout begins	MFJ\$400,000 Single, HOH, MFS\$200,000		
Credit for Other Dependents	\$500 per dependent (not a qualifying child).		

Social Security Highlights

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Employee's portion of FICA	2020	2019	2018		
Maximum earnings subject to Social Security tax (Medicare no limit)	\$137,700	\$132,900	\$128,400		
Social Security tax rate	6.20%	6.20%	6.20%		
Medicare tax rate*	1.45%	1.45%	1.45%		
Maximum Social Security tax	\$8,537.40	\$8,239.80	\$7,960.80		

^{*}Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.



Tax Facts and Figures

Business Expenses

2020 Standard Mileage Rate Per Mile	2020 Standard Deduction for Meals—		
Business57.5¢	High Low Method (Per Day)		
Medical and moving*17.0¢	High cost localities\$71		
Charitable14.0¢	All other localities\$60		
Depreciation27.0¢	Transportation workers\$66		
Section 179 Expense Limits	Qualified Transportation Benefits		
Regular 179 limits\$1,040,000	(exclusion from income allowed, but		
SUV limits\$25,900	no employer deduction)		
Investment phaseout	Commuter benefits (per month)\$270		
begins\$2,590,000	Parking benefits (per month)\$270		

^{*}The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

2020 Retirement Plan Limits

2020 Retirement Plan Limits					
401(k)/403(b) Deferral Limits	Roth IRA Phaseout Range				
Under age 50\$19,500	MFJ\$196,000-\$206,000				
Age 50 and over\$26,000	Single, HOH \$124,000 - \$139,000				
IRA Contribution Limits	MFS\$0-\$10,000				
Under age 50\$6,000	SIMPLE Deferral Limits				
Age 50 and over \$7,000	Under age 50\$13,500				
IRA Deduction Phaseout Range if	Age 50 and over\$16,500				
Covered by Employer Plan	Qualified Retirement Plans				
MFJ\$104,000-\$124,000	Profit sharing/SEP				
Single, HOH\$65,000-\$75,000	limits25%/\$57,000				
MFS\$0-\$10,000	Defined benefit plan limits \$230,000				
Spouse not	Compensation limits \$285,000				
covered \$196,000 - \$206,000					

Education Tax Benefits

American Opportunity Credit	Education Savings Account (ESA)
MFJ phaseout \$160,000-\$180,000	MFJ phaseout\$190,000-\$220,000
Single, HOH	All others \$95,000-\$110,000
phaseout\$80,000-\$90,000	Annual contribution limit: \$2,000 per beneficiary
Maximum credit: \$2,500 per student	Student Loan Interest Deduction
Up to 40% (\$1,000) may be refundable	MFJ phaseout\$140,000-\$170,000
Lifetime Learning Credit	Single, HOH phaseout \$70,000-\$85,000
MFJ phaseout \$118,000-\$138,000	Maximum deduction: \$2,500 per return
Single, HOH	U.S. Savings Bonds Interest Exclusion
phaseout\$59,000–\$69,000	MFJ phaseout\$123,550-\$153,550
Maximum credit: \$2,000 per return	Single, HOH phaseout \$82,350-\$97,350

Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students or apprentices are not taxable.
- Distributions up to \$10,000 per student are allowed for tuition expenses for a public, private, or religious elementary or secondary school.
- Cumulative distributions up to \$10,000 per beneficiary and sibling for qualified education debt.

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2020 Tax Rates: Capital Gain and Dividend Income				
If income is	Maximum tax rate %	If asset is held		
Gain from the sale of collectibles	28%	More than 1 year		
Taxable portion of gain on qualified small business stock (section 1202 exclusion)	28%	More than 5 years		
Unrecaptured section 1250 gain	25%	More than 1 year		
Long-term capital gain	See below	More than 1 year		
Qualified dividend income	See below	More than 60 days		
Taxable Income Single \$0 to \$40,000 MFJ/QW \$0 to \$80,000 MFS \$0 to \$40,000 HOH \$0 to \$53,600 Estates and trusts \$0 to \$2,650 Taxable Income Single \$40,001 to \$441,450 MFJ/QW \$80,001 to \$496,600 MFS \$40,001 to \$248,300 HOH \$53,601 to \$469,050	15%			
Estates and Trusts\$2,651 to \$13,150 Taxable Income Single	20%			
Short-term capital gain	37%	1 year or less		
Ordinary dividend income	37%	60 days or less		

Net Investment Income Tax (NIIT)

3.8% additional tax on investment income if MAGI above threshold amount

Filing status	Single, HOH	MFJ, ΩW	MFS	
Threshold amount	\$200,000	\$250,000	\$125,000	

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 72.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.