

Tax Rates

2020 Individual Tax Rates

Unmarried Individuals (other than surviving spouses and heads of households)	
Taxable Income	2020 Tax
Not over \$9,875	10% of the taxable income
Over \$9,875 but not over \$40,125	\$987.50 plus 12% of the excess over \$9,875
Over \$40,125 but not over \$85,525	\$4,617.50 plus 22% of the excess over \$40,125
Over \$85,525 but not over \$163,300	\$14,605.50 plus 24% of the excess over \$85,525
Over \$163,300 but not over \$207,350	\$33,271.50 plus 32% of the excess over \$163,300
Over \$207,350 not over \$518,400	\$47,367.50 plus 35% of the excess over \$207,350
Over \$518,400	\$156,235 plus 37% of the excess over \$518,400

Married Individuals Filing Joint Returns, & Surviving Spouses	
Taxable Income	2020 Tax
Not over \$19,750	10% of the taxable income
Over \$19,750 but not over \$80,250	\$1,975 plus 12% of the excess over \$19,750
Over \$80,250 but not over \$171,050	\$9,235 plus 22% of the excess over \$80,250
Over \$171,050 but not over \$326,600	\$29,211 plus 24% of the excess over \$171,050
Over \$326,600 but not over \$414,700	\$66,543 plus 32% of the excess over \$326,600
Over \$414,700 but not over \$622,050	\$94,735 plus 35% of the excess over \$414,700
Over \$622,050	\$167,307.50 plus 37% of the excess over \$622,050

Heads of Households	
Taxable Income	2020 Tax
Not over \$14,100	10% of the taxable income
Over \$14,100 but not over \$53,700	\$1,410 plus 12% of the excess over \$14,100
Over \$53,700 but not over \$85,500	\$6,162 plus 22% of the excess over \$53,700
Over \$85,500 but not over \$163,300	\$13,158 plus 24% of the excess over \$85,500
Over \$163,300 but not over \$207,350	\$31,830 plus 32% of the excess over \$163,300
Over \$207,350 not over \$518,400	\$45,926 plus 35% of the excess over \$207,350
Over \$518,400	\$154,793.50 plus 37% of the excess over \$518,400

Married Individuals Filing Separate Returns	
Taxable Income	2020 Tax
Not over \$9,875	10% of the taxable income
Over \$9,875 but not over \$40,125	\$987.50 plus 12% of the excess over \$9,875
Over \$40,125 but not over \$85,525	\$4,617.50 plus 22% of the excess over \$40,125
Over \$85,525 but not over \$163,300	\$14,605.50 plus 24% of the excess over \$85,525
Over \$163,300 but not over \$207,350	\$33,271.50 plus 32% of the excess over \$163,300
Over \$207,350 not over \$311,025	\$47,367.50 plus 35% of the excess over \$207,350
Over \$311,025	\$83,653.75 plus 37% of the excess over \$311,025

2020 C Corporation Tax Rates

Taxable Income	2020 Tax
Any Amount of Income	21%

2020 Estates & Trusts Tax Rates

Taxable Income	2020 Tax
Not over \$2,600	10% of the taxable income
Over \$2,600 but not over \$9,450	\$260 plus 24% of the excess over \$2,600
Over \$9,450 but not over \$12,950	\$1,904 plus 35% of the excess over \$9,450
Over \$12,950	\$3,129 plus 37% of the excess over \$12,950

Social Security & Medicare

	Self – Employed	Employee
SS Tax Rate	12.4%	6.2%
Max Wages Subject to	\$149,107*	\$137,700
Med. Tax Rate	2.9%	1.45%
Additional Medicare Tax of 0.9%	Married Filing Joint – MAGI > \$250,000 Married Filing Separate – > \$125,000	

*The reason for the higher number is that only 92.35% of your net profits are taxed at 12.4%, and the \$137,700 threshold is after application of the 92.35%.

2020 Capital Gain Rates

Capital Asset	Holding Period	Tax Rate
Short-term capital gains.	One year or less.	Ordinary income tax rates, up to 37%.
Long-term capital gains.	More than one year.	Taxpayers with income below the 15% rate threshold below, pay 0%. The following are the income thresholds for 15% and 20% rates.
		<u>Married Filing Jointly:</u> 15% Rate - \$80,001 - \$496,600 20% Rate - over \$496,600
		<u>Married Filing Separately:</u> 15% Rate - \$40,001 - \$248,300 20% Rate - over \$248,300
		<u>Head of Household:</u> 15% Rate - \$53,601 - \$469,050 20% Rate - over \$469,050
		<u>Unmarried Individuals:</u> 15% Rate - \$40,001 - \$441,450 20% Rate - over \$441,450
Collectibles.	More than one year.	28%.
Section 1202 qualified small business stock.	More than five years.	28%.
Unrecaptured §1250 Gain, (gains on real property attributable to straight-line depreciation).	More than one year.	25%.

Vehicles

2020 Standard Mileage Rates

IRS Mileage Rate (in cents per mile)	
Business	57.5
Charitable	14.0
Medical & Moving	17.0
Depreciation	27.0

Personal Deductions

2020 Standard Deduction

Filing Status	Standard Deduction
Unmarried Individuals	\$12,400
Married Individuals Filing Separate Returns	\$12,400
Heads of Households	\$18,650
Married Individuals Filing Joint Returns & Surviving Spouses	\$24,800
Dependents	\$12,400
Additional Amount for Aged & Blind	Married Filing Jointly - \$1,300 Single or Head of Household - \$1,650

2020 Personal Exemptions

Per Individual	No Longer Applicable

DEPRECIATION LIMITS FOR PASSENGER VEHICLES PLACED IN SERVICE IN 2019

*Note that the 2020 limits will be released in April 2020	With Bonus Depreciation	No Bonus Depreciation
Tax Year	Amount	Amount
1st Tax Year	\$18,100	\$10,100
2nd Tax Year	\$16,100	\$16,100
3rd Tax Year	\$9,700	\$9,700
Each Succeeding Year	\$5,760	\$5,760

Retirement Plans 2020

IRA contribution (under age 50)	\$6,000	
IRA contribution (50 and older)	\$7,000	
IRA deductibility phase-out (based on MAGI)		
Participants in employer plans		
Single or Head of Household	\$65,000 - \$75,000	
Married, filing jointly	\$104,000 - \$124,000	
Married, filing separately	\$0 - \$10,000	
Nonparticipants in employer plans		
Nonparticipant married to a participant	\$196,000 - \$206,000	
Neither spouse a participant	Fully deductible	
Phase out of Roth IRA contribution eligibility		
Single	\$124,000 - \$139,000	
Married, filing jointly	\$196,000 - \$206,000	
Retirement Plan	Max Employee Contribution	Max Employer Contribution
SEP	N/A	25% of wages or 20% of net self-employment income, max of \$57,000
SIMPLE IRA	\$13,500*	N/A
401(k)	\$19,500**	25% of wages***

*\$16,500 if 50 or older

**\$26,000 if 50 or older

***Combined maximum of employee and employer contributions is \$57,000 in 2020