

NOTE! The 2019 items are published in Rev Proc 2018-57. The 2020 items are published in Rev Proc 2019-44, and the 2021 items are published in Rev Proc 2020-45.

Standard Deduction Amounts

<u>Filing Status</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Married Individuals Filing Joint Returns and Surviving Spouses Heads of Households	\$ 24,400 \$ 18,350	\$ 24,800 \$ 18,650	\$ 25,100 \$ 18,800
Unmarried Individuals (other than surviving spouses and Heads of Households)	\$ 12,200	\$ 12,400	\$ 12,550
Married Individuals Filing a Separate Return	\$ 12,200	\$ 12,400	\$ 12,550
Additional Standard If Age 65 or Blind			
Single	\$ 1,650	\$ 1,650	\$ 1,700
Married	\$ 1,300	\$ 1,300	\$ 1,350
Standard Deduction Limitation If Claimed As Dependent	\$ 1,100 or sum of \$350 and earned income	\$ 1,100 or sum of \$350 and earned income	\$ 1,100 or sum of \$350 and earned income

Itemized Deduction “Beginning” AGI Phase-Out Thresholds

Note! Prior to TCJA, itemized deductions (other than medical expenses, investment interest, gambling losses, casualty losses, and theft losses) were generally reduced under §68 by 3% of adjusted gross income in excess of the 2017 thresholds listed below. ***TCJA suspended §68 for 2018 through 2025.***

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Joint Filers	N/A	N/A	N/A
Single Filers	N/A	N/A	N/A
Head of Household	N/A	N/A	N/A
Married Filing Separately	N/A	N/A	N/A

Personal Exemption Amount (TCJA reduced the personal exemption to zero for 2018 through 2025)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
	N/A*	N/A*	N/A*

*Although there is no deduction for personal exemptions **for 2018 through 2025**, the definition of a “Qualifying Relative” requires that the individual not have gross income in excess of the personal exemption amount. In **Rev Proc 2018-57**, the IRS announced for purposes of this gross income limit, the personal exemption amount is deemed to be **\$4,200 for 2019, \$4,300 for 2020, and projected to be \$4,300 for 2021.**

Personal Exemption “Beginning” AGI Phase-Out Thresholds

Note! For 2017, each personal exemption claimed was reduced by 2% for each \$2,500 or part of \$2,500 (\$1,250 or part of \$1,250 if married filing separately) of AGI in excess of the 2017 thresholds listed below. *TCJA reduced the personal exemption to zero for 2018 through 2025.*

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Joint Filers	N/A	N/A	N/A
Single Filers	N/A	N/A	N/A
Head of Household	N/A	N/A	N/A
Married Filing Separately	N/A	N/A	N/A

AMT Exemption Amounts (Rev Proc 2019-44 for 2020)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Joint Returns & Surviving Spouse	\$ 111,700	\$ 113,400	\$ 114,600
Single Returns & HOH	\$ 71,700	\$ 72,900	\$ 73,600
Married Filing Separately	\$ 55,850	\$ 56,700	\$ 57,300
Trusts and Estates	\$ 25,000	\$ 25,400	\$ 25,700

AMT Exemption Phase-Out Beginning AMTI Threshold (Rev Proc 2019-44 for 2020)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Joint Filers And Surviving Spouses	\$1,020,600	\$1,036,800	\$1,047,200
Married Filing Separately	\$ 510,300	\$ 518,400	\$ 523,600
Other Individual Filers	\$ 510,300	\$ 518,400	\$ 523,600
Estates and Trusts	\$ 83,500	\$ 84,800	\$ 85,650

AMTI Amount Above Which AMT Rate Increases From 26% To 28%(Rev Proc 2019-44 for 2020)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Non-Corporate Taxpayers (Other Than Married Filing Separately)	\$ 194,800	\$ 197,900	\$ 199,900
Married Filing Separately	\$ 97,400	\$ 98,950	\$ 99,950

Threshold For Taxing Income Of Child Subject To “Kiddie Tax”

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Unearned income of child subject to the “kiddie tax” if the unearned income exceeds:	\$ 2,200	\$ 2,200	\$ 2,200

AMT Exemption For Child Subject To Kiddie Tax

	<u>2019</u>	<u>2020</u>	<u>2021</u>
The AMT exemption amount for a child subject to the kiddie tax:	\$ 71,700*	\$ 72,900*	\$ 73,600*

* §59(j) limiting AMT exemption for child subject to Kiddie Tax to earned income plus an additional amount repealed for taxable years 2018 through 2025.

Amount Of Long-Term Care Premiums Qualifying As Deductible Medical Expense Under §213(d) (Rev Proc 2019-44 for 2020)

<u>Attained Age End of Taxable Year</u>	<u>Maximum Annual Deduction Amount</u>		
	<u>2019</u>	<u>2020</u>	<u>2021</u>
40 or less	\$ 420	\$ 430	\$ 450
More than 40 but not more than 50	\$ 790	\$ 810	\$ 850
More than 50 but not more than 60	\$ 1,580	\$ 1,630	\$ 1,690
More than 60 but not more than 70	\$ 4,220	\$ 4,340	\$ 4,520
More than 70	\$ 5,270	\$ 5,430	\$ 5,640

Income Phase-Out For Interest Exclusion On U.S. Savings Bonds Used To Pay Higher Education Expenses Under §135

The exclusion (which only applies to income from United States savings bonds **issued after 1989 to someone at least age 24**) is phased out as AGI increases from:

<u>2019</u>		<u>2020</u>		<u>2021</u>	
<u>Joint Returns</u>	<u>Other Returns</u>	<u>Joint Returns</u>	<u>Other Returns</u>	<u>Joint Returns</u>	<u>Other Returns</u>
\$121,600 to \$151,600	\$81,100 to \$96,100	\$123,550 to \$153,550	\$82,350 to \$97,350	\$124,800 to \$154,800	\$83,200 to \$98,200

Maximum Deduction For Student Loan Interest

The maximum deduction for student loan interest is **\$2,500**. The deduction is phased out as follows:

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Phase-out on single return	\$ 70,000 to \$ 85,000	\$ 70,000 to \$ 85,000	\$ 70,000 to \$ 85,000
Phase-out on joint return	\$140,000 to \$170,000	\$140,000 to \$170,000	\$140,000 to \$170,000

Modified AGI Phase-Out Ranges For Lifetime Learning Credit

	<u>2019</u>	<u>2020</u>	<u>2021</u>
• For single persons from	\$ 58,000 to \$ 68,000	\$ 59,000 to \$ 69,000	\$ 59,000 to \$ 69,000
• For joint returns from	\$116,000 to \$136,000	\$118,000 to \$138,000	\$119,000 to \$139,000

Modified AGI Phase-Out Ranges American Opportunity Tax Credit (Hope Credit)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
• For single persons from	\$ 80,000 to \$ 90,000	\$ 80,000 to \$ 90,000	\$ 80,000 to \$ 90,000
• For joint returns from	\$160,000 to \$180,000	\$160,000 to \$180,000	\$160,000 to \$180,000

American Opportunity Credit (Hope Credit) Amount

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Tuition And Fee Base	\$ 2,000	\$ 2,000	\$ 2,000
Maximum Credit	\$ 2,500	\$ 2,500	\$ 2,500

Higher Education Expense Deduction

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Maximum for AGI deduction	\$ 4,000	\$ 4,000	Expired
Maximum when modified AGI exceeds \$65,000 (\$130,000 for joint returns).....	\$ 2,000	\$ 2,000	Expired
Maximum when modified AGI exceeds \$80,000 (\$160,000 for joint returns).....	-0-	-0-	Expired

Educator “For AGI” Deduction

	<u>2019</u>	<u>2020</u>	<u>2021</u>
	\$ 250	\$ 250	\$ 250

Maximum Monthly Exclusion Amount For

	<u>2019</u>	<u>2020</u>	<u>2021</u>
• Transit passes	\$ 265	\$ 270	\$ 270
• Qualified parking	\$ 265	\$ 270	\$ 270

Child Credit For Qualifying Children Under Age 17

	<u>2019</u>	<u>2020</u>	<u>2021</u>
The Maximum Child Credit For 2019, 2020, and 2021, Up to \$1,400 (as indexed for inflation) of Child Credit is refundable to the extent of 15% of earned income in excess of	\$ 2,000	\$ 2,000	\$ 2,000
	\$ 2,500	\$ 2,500	\$ 2,500

New Nonrefundable \$500 Dependent Tax Credit

	<u>2019</u>	<u>2020</u>	<u>2021</u>
The maximum for each “Qualifying Dependent”	\$ 500	\$ 500	\$ 500

MAGI Phase-Outs Begin For Both The \$2,000 Child Tax Credit And \$500 Partial Tax Credit

	<u>2019</u>	<u>2020</u>	<u>2021</u>
MAGI Greater Than			
Joint Return	\$400,000	\$400,000	\$400,000
Others	\$200,000	\$200,000	\$200,000

Adoption Credit

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Maximum adoption credit	\$ 14,080	\$ 14,300	\$ 14,400
Phased out as modified AGI increases from	\$211,160 to \$251,160	\$214,520 to \$254,520	\$216,660 to \$256,660

Individual Estimated Tax Safe-Harbor Amounts

For estimates made for tax years after 2002, the “last year’s tax” safe-harbor for individuals with AGI over \$150,000 for the prior year is 110% of the prior year’s tax. For individuals with AGI of \$150,000 or less, the “last year’s tax” safe harbor is 100% of the prior year’s tax.

Phase-Out Ranges For Regular IRAs Where Taxpayer Is An Active Participant

	<u>2019</u>	<u>2020</u>	<u>2021</u>
• Joint returns	\$103,000 to \$123,000	\$104,000 to \$124,000	\$105,000 to \$125,000
• Single taxpayers	\$ 64,000 to \$ 74,000	\$ 65,000 to \$ 75,000	\$ 66,000 to \$ 76,000

Phase-Out Range For Regular IRAs Where Taxpayers File A Joint Return And Taxpayer Is Not An Active Participant But Spouse Is An Active Participant

	<u>2019</u>	<u>2020</u>	<u>2021</u>
The phase-out range is	\$193,000 - \$203,000	\$196,000 - \$206,000	\$198,000 to \$208,000

Phase-Out Range For Roth IRAs

	<u>2019</u>	<u>2020</u>	<u>2021</u>
• Joint return	\$193,000 - \$203,000	\$196,000 - \$206,000	\$198,000 to \$208,000
• Single taxpayers	\$122,000 - \$137,000	\$124,000 - \$139,000	\$125,000 to \$140,000

Maximum IRA Contribution

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Maximum contribution limit for traditional and Roth IRAs	\$ 6,000	\$ 6,000	\$ 6,000
Age 50 or older by end of year	\$ 7,000	\$ 7,000	\$ 7,000

Qualified Plan Limitations

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Maximum 401(k) elective deferral			
under age 50	\$ 19,000	\$ 19,500	\$ 19,500
age 50 or older	\$ 25,000	\$ 26,000	\$ 26,000
Maximum SIMPLE deferral amount			
younger than age 50	\$ 13,000	\$ 13,500	\$ 13,500
age 50 or older	\$ 16,000	\$ 16,500	\$ 16,500
Benefit limitations for defined benefit plans	\$225,000	\$230,000	\$230,000
General allocation limit for defined contribution plans	\$ 56,000	\$ 57,000	\$ 58,000
Highly compensated employee amount §414(q)	\$125,000	\$130,000	\$130,000
Maximum compensation considered under plan	\$280,000	\$285,000	\$290,000

2020 Information Returns

<u>Information Return Furnished</u>	<u>Normal</u>	<u>Small Business***</u>
Within 30 Days	\$50*/\$565,000**	\$50*/\$197,500**
Before Aug. 2 nd	\$110*/\$1,696,000**	\$110*/\$565,000**
After Aug. 1 st	\$280*/\$3,392,000**	\$280*/\$1,130,500**
Penalty For Intentional Failure	\$560*/No Limit@	\$560*/No Limit@

*** A “**small business**” is a business with average annual gross receipts of \$5,000,000 or less for the most recent three taxable years ending before the calendar year for which the information return is due.

* The amount of the penalty for failing to file an information return with the IRS and the amount of the additional penalty for failing to file a copy with the payee.

** The maximum penalty for any calendar year under §6721 and under §6722. **Practice Alert!** There is one calendar-year limit under §6721 and one calendar-year limit under §6722. For example, if a “small business” unintentionally fails to file 2020 1099s with both the IRS and the payee until after August 1, 2021, the maximum penalty for failing to file with the IRS would be \$1,130,500 and the maximum penalty for failing to furnish a copy to the payees would be \$1,130,500. Therefore, the maximum total penalty for both failures would be \$2,261,000.

@ The penalty for “**intentional failure**” to file “most” 2020 information returns is generally **the greater of** \$560 per return or from 5% to 10% (depending upon the type of information return) of the amount that should have been reported on the information return. Also, please see **§6721(e)(2)** for even higher penalties for failure to report cash of more than \$10,000 received in the course of a trade or business to the IRS under §6050I(d).

Section 199A Taxable Income (Before §199A Deduction) Thresholds For W-2 Wage/UBIA Limit Phase-In And SSTB Income Phase-Out.

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Joint	\$321,400	\$326,600	\$329,800
Married Filing Separate Returns	\$160,725	\$163,300	\$164,925
Other	\$160,700	\$163,300	\$164,900

Section 448(c) Cash Method Of Accounting Average Gross Receipts Threshold

	<u>2019</u>	<u>2020</u>	<u>2021</u>
	\$26,000,000	\$26,000,000	\$26,000,000

Section 461(l)(3) Trade Or Business Loss Allowed For The Taxable Year

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Joint	N/A*	N/A*	\$ 524,000
Other	N/A*	N/A*	\$ 262,000

* The CARES Act retroactively eliminated this Business Loss limitation for 2018 through 2020.