



Tax Facts and Figures

Tax Happens LLC

10018 Park Place Ave
Riverview FL 33578
taxhappens.com

Phone: 813-603-2073

TaxHappens.com

You can schedule an appointment via our website or by calling the office.



TAX
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2020 Federal Tax Rate Schedules

Single Taxable Income

\$ 0 to 9,875	x	10.0%	minus	\$ 0.00	= Tax
9,876 to 40,125	x	12.0%	minus	197.50	= Tax
40,126 to 85,525	x	22.0%	minus	4,210.00	= Tax
85,526 to 163,300	x	24.0%	minus	5,920.50	= Tax
163,301 to 207,350	x	32.0%	minus	18,984.50	= Tax
207,351 to 518,400	x	35.0%	minus	25,205.00	= Tax
518,401 and over	x	37.0%	minus	35,573.00	= Tax

MFJ or QW Taxable Income

\$ 0 to 19,750	x	10.0%	minus	\$ 0.00	= Tax
19,751 to 80,250	x	12.0%	minus	395.00	= Tax
80,251 to 171,050	x	22.0%	minus	8,420.00	= Tax
171,051 to 326,600	x	24.0%	minus	11,841.00	= Tax
326,601 to 414,700	x	32.0%	minus	37,969.00	= Tax
414,701 to 622,050	x	35.0%	minus	50,410.00	= Tax
622,051 and over	x	37.0%	minus	62,851.00	= Tax

MFS Taxable Income

\$ 0 to 9,875	x	10.0%	minus	\$ 0.00	= Tax
9,876 to 40,125	x	12.0%	minus	197.50	= Tax
40,126 to 85,525	x	22.0%	minus	4,210.00	= Tax
85,526 to 163,300	x	24.0%	minus	5,920.50	= Tax
163,301 to 207,350	x	32.0%	minus	18,984.50	= Tax
207,351 to 311,025	x	35.0%	minus	25,205.00	= Tax
311,026 and over	x	37.0%	minus	31,425.50	= Tax

HOH Taxable Income

\$ 0 to 14,100	x	10.0%	minus	\$ 0.00	= Tax
14,101 to 53,700	x	12.0%	minus	282.00	= Tax
53,701 to 85,500	x	22.0%	minus	5,652.00	= Tax
85,501 to 163,300	x	24.0%	minus	7,362.00	= Tax
163,301 to 207,350	x	32.0%	minus	20,426.00	= Tax
207,351 to 518,400	x	35.0%	minus	26,646.50	= Tax
518,401 and over	x	37.0%	minus	37,014.50	= 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
HOH.....	\$18,650

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

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	
Business.....	57.5¢
Medical and moving*	17.0¢
Charitable.....	14.0¢
Depreciation.....	27.0¢

Section 179 Expense Limits

Regular 179 limits.....	\$1,040,000
SUV limits.....	\$25,900
Investment phaseout begins.....	\$2,590,000

2020 Standard Deduction for Meals—High Low Method (Per Day)

High cost localities.....	\$71
All other localities.....	\$60
Transportation workers.....	\$66

Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)

Commuter benefits (per month)...	\$270
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

401(k)/403(b) Deferral Limits

Under age 50.....	\$19,500
Age 50 and over.....	\$26,000

IRA Contribution Limits

Under age 50.....	\$6,000
Age 50 and over.....	\$7,000

IRA Deduction Phaseout Range if Covered by Employer Plan

MFJ.....	\$104,000—\$124,000
Single, HOH.....	\$65,000—\$75,000
MFS.....	\$0—\$10,000
Spouse not covered.....	\$196,000—\$206,000

Roth IRA Phaseout Range

MFJ.....	\$196,000—\$206,000
Single, HOH.....	\$124,000—\$139,000
MFS.....	\$0—\$10,000

SIMPLE Deferral Limits

Under age 50.....	\$13,500
Age 50 and over.....	\$16,500

Qualified Retirement Plans

Profit sharing/SEP limits.....	25%/\$57,000
Defined benefit plan limits...	\$230,000
Compensation limits.....	\$285,000

Education Tax Benefits

American Opportunity Credit

MFJ phaseout....	\$160,000—\$180,000
Single, HOH phaseout.....	\$80,000—\$90,000
Maximum credit: \$2,500 per student	
Up to 40% (\$1,000) may be refundable	

Lifetime Learning Credit

MFJ phaseout....	\$118,000—\$138,000
Single, HOH phaseout.....	\$59,000—\$69,000
Maximum credit: \$2,000 per return	

Education Savings Account (ESA)

MFJ phaseout.....	\$190,000—\$220,000
All others.....	\$95,000—\$110,000
Annual contribution limit: \$2,000 per beneficiary	

Student Loan Interest Deduction

MFJ phaseout.....	\$140,000—\$170,000
Single, HOH phaseout.....	\$70,000—\$85,000
Maximum deduction: \$2,500 per return	

U.S. Savings Bonds Interest Exclusion

MFJ phaseout.....	\$123,550—\$153,550
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	0%
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	15%
MFJ/QW.....	\$80,001 to \$496,600	
MFS.....	\$40,001 to \$248,300	
HOH.....	\$53,601 to \$469,050	
Estates and Trusts.....	\$2,651 to \$13,150	
Taxable Income		
Single.....	\$441,451 and over	20%
MFJ/QW.....	\$496,601 and over	
MFS.....	\$248,301 and over	
HOH.....	\$469,051 and over	
Estates and Trusts.....	\$13,151 and over	
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, QW	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.