

## 2020 MEDICAL SAVINGS ACCOUNTS (MSA)

### 2020 Annual Deductible Range

Self-Only Coverage	\$ 2,350 - \$ 3,550
Family Coverage	\$ 4,750 - \$ 7,100

### Maximum Out of Pocket

Self-Only Coverage	\$ 4,750
Family Coverage	\$ 8,650

## HEALTH SAVINGS ACCOUNT (HSA)

### 2020 Maximum Annual Contribution Limits

Self-Only Coverage	\$ 3,550
Family Coverage	\$ 7,100

### 2020 Minimum Deductible

Self-Only Coverage	\$ 1,400
Family Coverage	\$ 2,800

### 2020 Maximum Out of Pocket

Self-Only Coverage	\$ 6,900
Family Coverage	\$ 13,800

### Additional Over Age 55 - 65

2020 and after	\$ 1,000
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## ADOPTION CREDIT

Maximum credit for a child with special needs	\$ 14,300
Other adoptions, qualified expenses	Up to \$ 14,300
Phaseout range, modified adjusted gross income	\$ 214,520 - \$ 254,520

## BONUS DEPRECIATION

### Assets Placed in Service

2020	100%
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## SECTION 179 EXPENSE

Expense limit	\$ 1,040,000
Phaseout threshold	\$ 2,590,000

## FICA (SS & MEDICARE) WAGE BASE

Social Security wage base	\$ 137,700
Maximum Social Security tax	\$ 8,537
Medicare wage base	No ceiling
Maximum Medicare wage tax	No ceiling

## STANDARD DEDUCTIONS

IF Your Filing Status Is...	Base Amount	Additional Amount for Blindness or Over Age 65
Single	\$ 12,400	\$1,650
Married Filing Jointly	\$ 24,800	\$1,300
Married Filing Separately	\$ 12,400	\$1,300
Head of Household	\$ 18,650	\$1,650
Qualifying Widow(er) with Dependent Child	\$ 24,800	\$1,300
Dependent of Another	\$1,100 (or Earned income + \$350)	\$1,300 (\$1,650 if single or HOH)

## MACRS RECOVERY PERIODS

Type of Property	MACRS Recovery Period	
	General Depreciation System	Alternative Depreciation System
Computers and their peripheral equipment	5 years	5 years
Office machinery, such as: Scanners Calculators Copiers	5 years	6 years
Automobiles	5 years	5 years
Light trucks	5 years	5 years
Appliances, such as: Stoves Refrigerators	5 years	9 years
Carpets	5 years	9 years
Furniture used in rental property	5 years	9 years
Office furniture and equipment, such as: Desks Tables	7 years	10 years
Any property that does not have a class life and that has not been designated by law as being in any other class	7 years	12 years
Roads	15 years	20 years
Shrubbery	15 years	20 years
Fences	15 years	20 years
Residential rental property (buildings or structures) and structural components such as furnaces, water pipes, venting, etc.	27.5 years	30 years
Nonresidential real property	39 years	40 years

Additions and improvements, such as a new roof

The same recovery period as that of the property to which the addition or improvement is made, determined as if the property were placed in service at the same time as the addition or improvement.

See Publication 946—How To Depreciate Property

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# 2020 FILING REQUIREMENTS FOR MOST TAXPAYERS

IF Your Filing Status Is...	AND at the end of 2020 you were...	THEN file a return if your gross income was at least...
Single	Under 65	\$12,400
	65 or older	\$14,050
Married Filing Jointly	Under 65 (both spouses)	\$24,800
	65 or older (one spouse)	\$26,100
	65 or older (both spouses)	\$27,400
Married Filing Separately	Any age	\$ 5
Head of Household	Under 65	\$18,650
	65 or older	\$20,300
Qualifying Widow(er) with Dependent Child	Under 65	\$24,800
	65 or older	\$26,100

## 2020 FILING REQUIREMENTS FOR DEPENDENTS

If either your parents or someone else can claim you as a dependent, use this chart to see if you must file a return. In this chart, unearned income includes taxable interest, ordinary dividends, and capital gain distributions. Earned income includes wages and tips, as well as taxable scholarships and fellowship grants. Gross income is the total of your unearned and earned income.

### Single dependents. Were you either age 65 or older or blind?

- No. You must file a return if any of the following apply:
  - Your unearned income was over \$1,100
  - Your earned income was over \$12,400
  - Your gross income was more than the larger of:
    - \$1,100
    - Your earned income (up to \$12,050) plus \$350
- Yes. You must file a return if any of the following apply:
  - Your unearned income was over \$2,750 (\$4,400 if 65 or older and blind)
  - Your earned income was over \$14,050 (\$15,700 if 65 or older and blind)
  - Your gross income was more than:
    - The larger of:
      - \$ 2,750 (\$4,400 if 65 or older and blind)
      - Your earned income (up to \$12,050) plus \$2,000 (\$3,650 if 65 or older and blind)



### Married dependents. Were you either age 65 or older or blind?

- No. You must file a return if any of the following apply:
  - Your unearned income was over \$1,100
  - Your earned income was over \$12,400
  - Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions
  - Your gross income was more than the larger of:
    - \$1,100
    - Your earned income (up to \$12,050) plus \$350
- Yes. You must file a return if any of the following apply:
  - Your unearned income was over \$2,400 (\$3,700 if 65 or older and blind)
  - Your earned income was over \$13,700 (\$15,000 if 65 or older and blind)
  - Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions
  - Your gross income was more than:
    - The larger of:
      - \$2,400 (\$3,700 if 65 or older and blind)
      - Your earned income (up to \$12,050) plus \$1,650 (\$2,950 if 65 or older and blind)

## OTHER SITUATIONS WHEN YOU MUST FILE A 2020 RETURN

You must file a return if any of the seven conditions below apply for 2020.

1. You owe any special taxes, including any of the following:
  - a. Alternative minimum tax.
  - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA) or other tax-favored account—but if you are filing a return only because you owe this tax, you can file Form 5329 by itself.
  - c. Household employment taxes—but if you are filing a return only because you owe this tax, you can file Schedule H by itself.
  - d. Social Security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
  - e. Repayment of first-time homebuyer credit. See the instructions for Form 1040 or 1040-SR, Schedule 2, Part II.
  - f. Write-in taxes, including uncollected Social Security and Medicare tax, RRTA tax on tips you reported to your employer, tax on group-term life insurance, or additional taxes on health savings accounts. See the instructions for Form 1040 or 1040-SR, Schedule 2, line 8.
  - g. Recapture taxes. See the instructions for Form 1040 or 1040-SR, Schedule 2, Part II.
2. You (or your spouse, if filing jointly) received HSA, Archer MSA, or Medicare Advantage MSA distributions.
3. You had net earnings from self-employment of at least \$400.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes.
5. You had advance payments of the premium tax credit made for you, your spouse, or a dependent who enrolled in coverage through the Health Insurance Marketplace. You should have received Forms 1095-A showing the amount of the advance payments, if any.
6. You had advance payments of the health coverage tax credit made for you, your spouse, or a dependent. You or whomever enrolled you should have received Forms 1099-H showing the amount of the advance payments.
7. You were required to file Form 965 for a triggering event or Form 965-A for an elected installment payment.

## STUDENT LOAN INTEREST DEDUCTION

Maximum interest deduction	\$ 2,500
<b>Modified Adjusted Gross Income Phaseout:</b>	
Married Filing Jointly	\$140,000 to \$170,000
Single/HOH	\$ 70,000 to \$ 85,000

## QUALIFYING CHILD FOR CHILD TAX CREDIT

A qualifying child for purposes of the child tax credit must be all of the following:

- A U.S. citizen or resident alien
- An SSN holder
- Claimed as your dependent on Form 1040 or 1040-SR
- Under age 17 at the end of 2020
- Your:
  - Son, daughter, adopted child, stepchild, or descendant of any of them (for example, your grandchild)
  - Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew) whom you cared for as you would your own child

### Adopted Child

An adopted child is always treated as your own child. An adopted child includes a child placed with you by an authorized placement agency for legal adoption even if the adoption is not final.

## CHILD TAX CREDIT

Credit Amount	\$2,000
Refundable Portion	\$1,400

## QUALIFYING DEPENDENT FOR OTHER DEPENDENT CREDIT

A qualifying dependent for the other dependent credit must be all of the following:

- A U.S. citizen, U.S. national, or U.S. resident alien
- An SSN, ITIN, or ATIN holder
- Claimed as your dependent on Form 1040 or 1040-SR

Credit Amount	\$500
Refundable Portion	\$-0-

## DEPENDENT CARE CREDIT LIMITATIONS

To determine your amount of credit, multiply your work-related expenses (after applying the earned income and dollar limits) by one of the following percentages. This percentage depends on your adjusted gross income shown on Form 1040, 1040-SR, or 1040-NR, line 11. The following table shows the percentage to use based on adjusted gross income. The maximum eligible to be multiplied by these percentages is \$3,000 per child or \$6,000 per return.

**If your adjusted gross income is:**

Over	But Not Over	The Percentage Is:
\$ 0	\$15,000	35%
15,000	17,000	34%
17,000	19,000	33%
19,000	21,000	32%
21,000	23,000	31%
23,000	25,000	30%
25,000	27,000	29%
27,000	29,000	28%
29,000	31,000	27%
31,000	33,000	26%
33,000	35,000	25%
35,000	37,000	24%
37,000	39,000	23%
39,000	41,000	22%
41,000	43,000	21%
43,000	No Limit	20%

## COMPARISON OF EDUCATION CREDITS

Lifetime Learning	American Opportunity
Up to \$2,000 credit per return	Up to \$2,500/Up to 40% is refundable
Maximum lifetime learning rate is 20%	100% of first \$2,000 plus 25% of next \$2,000
Available for all years of post-secondary education and for courses to acquire or improve job skills	Available for four years of college and ONLY if the student had not completed the first 4 years of postsecondary education before 2020
Available for an unlimited number of years	Available ONLY for 4 tax years per eligible student (including any years Hope credit was claimed)
Student doesn't need to be pursuing a program leading to a degree or other recognized education credential	AGI phaseout between \$80,000 - \$90,000 (160K - 180K MFJ)
Available for one or more courses	Student must be enrolled at least half time for at least one academic period beginning during 2020 (or the first 3 months of 2021 if the qualified expenses were paid in 2020)
Felony drug conviction rule does not apply	As of the end of 2020, the student had not been convicted of a felony for possession or distribution of a controlled substance

## EDUCATION CREDITS PHASEOUT

Lifetime Learning Adjusted Gross Income	Refundable American Opportunity
Married Filing Jointly	\$118,000 to \$138,000
All other filing statuses	\$59,000 to \$69,000
	\$160,000 to \$180,000
	\$ 80,000 to \$ 90,000

## SOCIAL SECURITY PAYBACK

At full retirement age or older	No limit on earnings
Under full retirement age	\$1 in benefits will be deducted for each \$2 you earn above \$18,240
In the year you reach full retirement age	Your benefits will be reduced \$1 for every \$3 you earn above \$48,600

\* For people born in 1943 through 1954, the full retirement age is 66.

The full retirement age increases gradually each year until it reaches age 67 for people born in 1960 or later.

# EARNED INCOME CREDIT

Single, Head of Household, and Qualifying Widow(er)	Earned Income Ranges to Receive the Maximum EIC		Maximum EIC Amount	EIC Eliminated When Earned Income Reaches These Amounts
	AT LEAST	BUT LESS THAN		
With No Children	\$ 7,030	\$ 8,790	\$ 538	\$15,820
With One Child	\$10,540	\$19,330	\$3,584	\$41,756
With Two Children	\$14,800	\$19,330	\$5,920	\$47,440
With Three or More Children	\$14,800	\$19,330	\$6,660	\$50,954

Married Filing Jointly	Earned Income Ranges to Receive the Maximum EIC		Maximum EIC Amount	EIC Eliminated When Earned Income Reaches These Amounts
	AT LEAST	BUT LESS THAN		
With No Children	\$ 7,030	\$14,680	\$ 538	\$21,710
With One Child	\$10,540	\$25,220	\$3,584	\$47,646
With Two Children	\$14,800	\$25,220	\$5,920	\$53,330
With Three or More Children	\$14,800	\$25,220	\$6,660	\$56,844

The maximum amount of investment income you can have and still receive EIC has increased to \$3,650.

## EARNED INCOME CREDIT IN A NUTSHELL

First, you must meet all the rules in this column.

Second, you must meet all the rules in one of these columns, whichever applies.

<b>PART A</b> Rules for Everyone	<b>PART B</b> Rules if You Have a Qualifying Child	<b>PART C</b> Rules if You Do Not Have a Qualifying Child
<ol style="list-style-type: none"> <li>Your adjusted gross income (AGI) must be less than : \$50,954 (\$56,844 if Married Filing Jointly) if you have three or more qualifying children \$47,440 (\$53,330 if Married Filing Jointly) if you have two qualifying children \$41,756 (\$47,646 if Married Filing Jointly) if you have one qualifying child \$15,820 (\$21,710 if Married Filing Jointly) if you do not have a qualifying child</li> <li>You must have a valid Social Security Number.</li> <li>Your filing status cannot be "Married Filing Separately."</li> <li>You must be a U.S. citizen, resident alien all year, or non-resident alien filing married filing jointly.</li> <li>You cannot file Form 2555 (relating to foreign earned income).</li> <li>Your investment income must be \$3,650 or less.</li> <li>You must have earned income.</li> </ol>	<ol style="list-style-type: none"> <li>Your child must have a Social Security Number that is valid for employment and issued before the due date of the return (including extensions).</li> <li>Your child must meet the relationship, age, and residency tests.</li> <li>Your qualifying child cannot be used by more than one person to claim the EIC.</li> <li>You cannot be a qualifying child of another person.</li> </ol>	<ol style="list-style-type: none"> <li>You must be at least 25 but under age 65.</li> <li>You cannot be the dependent of another person.</li> <li>You cannot be a qualifying child of another person.</li> <li>You must have lived in the United States more than half of the year.</li> </ol>

## EXEMPTION AMOUNTS

Personal and Dependent	\$ 0
Estate Amount*	\$600
Simple Trust *	\$300
Complex Trust *	\$100

\* Exemption not allowed in final year.



## FOREIGN EARNED INCOME

2020 Maximum exclusion \$107,600

## GIFT TAX

2020 Exclusion \$ 15,000

2020 Exclusion for gift to spouse who is not a U.S. citizen \$157,000

## 401(K) CONTRIBUTION LIMITS

2020 Maximum deferral \$19,500

2020 Catch Up Contributions for taxpayers 50 and over \$26,000

## LONG-TERM CAPITAL GAINS AND QUALIFYING DIVIDENDS

Single up to	\$ 40,000	0%
Single	\$ 40,001 - \$441,450	15%
Single over	\$441,451+	20%
Married up to	\$ 80,000	0%
Married	\$ 80,001 - \$496,600	15%
Married over	\$496,601+	20%
HOH up to	\$ 53,600	0%
HOH	\$ 53,601 - \$469,050	15%
HOH over	\$469,051+	20%
MFS up to	\$ 40,000	0%
MFS	\$ 40,001 - \$248,300	15%
MFS over	\$248,301+	20%

## SAVINGS BOND/HIGHER EDUCATION EXPENSE EXCLUSION

Modified adjusted gross income phaseout range:

Married Filing Jointly \$123,550 - \$153,550  
All other filing statuses \$82,350 - \$97,350

## LONG-TERM CARE PREMIUMS

Maximum premium (per person):

Age 40 or under \$430  
Age 41 to 50 \$810  
Age 51 to 60 \$1,630  
Age 61 to 70 \$4,350  
Age 71 or over \$5,430

## ALTERNATIVE MINIMUM TAX

First \$197,900 (\$98,950 Married Filing Separately) of Alternative Minimum Taxable Income ..... 26%  
Over \$197,900 of Alternative Minimum Taxable Income ..... 28%



### Exemptions:

Married Filing Jointly or Qualifying Widow(er) ..... \$113,400  
Married Filing Separately ..... \$ 56,700  
Single or Head of Household ..... \$ 72,900  
Trusts and Estates ..... \$ 25,400

### Exemption Phaseout:

25% of amount AMTI exceeds:

Filing Status	AMTI Begin Phaseout	AMTI Fully Phased Out
MFJ/Qualifying Widow(er)	\$1,036,800	\$1,490,000
Married Filing Separately	\$518,400	\$745,200
Single/HOH	\$518,400	\$810,000
Estates and Trusts	\$84,800	\$186,400

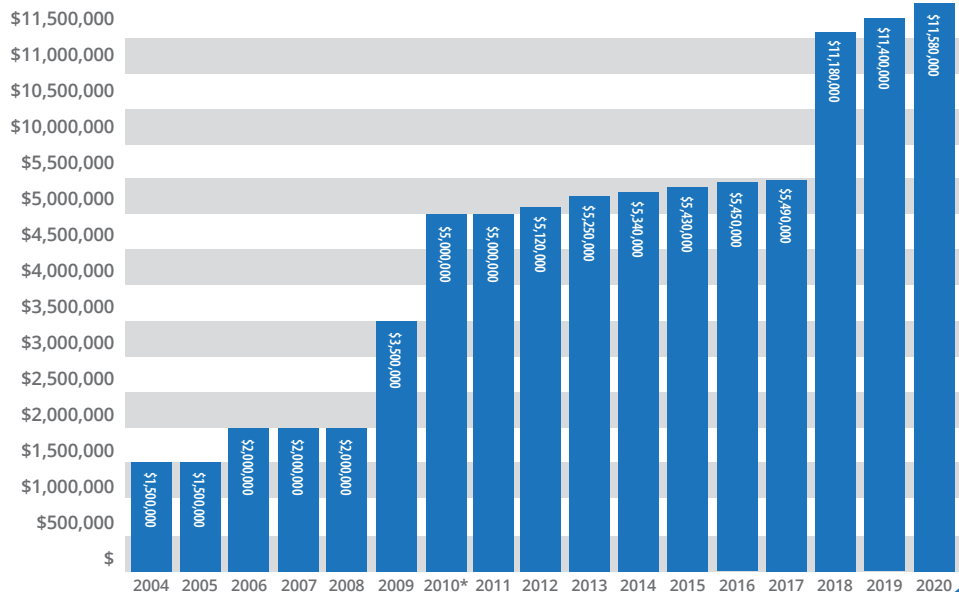
## WHERE TO DEDUCT YOUR INTEREST EXPENSE

If you have...	THEN deduct it on...	AND for more info go to...
Deductible student loan interest	Form 1040/1040-SR, Schedule 1, line 20	Publication 970
Deductible home mortgage interest and points reported on Form 1098	Schedule A (Form 1040/1040-SR), line 8a	Publication 936
Deductible home mortgage interest not reported on Form 1098	Schedule A (Form 1040/1040-SR), line 8b	Publication 936
Deductible points not reported on Form 1098	Schedule A (Form 1040/1040-SR), line 8c	Publication 936
Deductible investment interest (other than interest incurred to produce rents or royalties)	Schedule A (Form 1040/1040-SR), line 9	Publication 550
Deductible business interest (non-farm)	Schedule C (Form 1040/1040-SR)	Publication 535
Deductible farm business interest	Schedule F (Form 1040/1040-SR)	Publications 225 and 535
Deductible interest incurred to produce rents or royalties	Schedule E (Form 1040/1040-SR)	Publications 527 and 535
Personal interest	Not deductible	

## 2020 STANDARD MILEAGE RATES

Business mileage ..... \$0.575 / mile  
Charitable mileage ..... \$0.14 / mile  
Medical/Moving mileage ..... \$0.17 / mile

## ESTATE EXEMPTION



\*2010 5,000,000 (or N/A if elected to file 8939)

## TAX RATE SCHEDULES **Single**

### TAXABLE INCOME:

Over	But not over
\$ 0	\$ 9,875
9,875	40,125
40,125	85,525
85,525	163,300
163,300	207,350
207,350	518,400
518,400	-

### TAX:

Tax	+	On amt over
\$ .00	10%	\$ 0
987.50	12%	9,875
4,617.50	22%	40,125
14,605.50	24%	85,525
33,271.50	32%	163,300
47,367.50	35%	207,350
156,235.00	37%	518,400

## TAX RATE SCHEDULES **Head of Household**

### TAXABLE INCOME:

Over	But not over
\$ 0	\$ 14,100
14,100	53,700
53,700	85,500
85,500	163,300
163,300	207,350
207,350	518,400
518,400	-

### TAX:

Tax	+	On amt over
\$ .00	10%	\$ 0
1,410.00	12%	14,100
6,162.00	22%	53,700
13,158.00	24%	85,500
31,830.00	32%	163,300
45,926.00	35%	207,350
154,793.50	37%	518,400

## TAX RATE SCHEDULES **Married Filing Separately**

### TAXABLE INCOME:

Over	But not over
\$ 0	\$ 9,875
9,875	40,125
40,125	85,525
85,525	163,300
163,300	207,350
207,350	311,025
311,025	-

### TAX:

Tax	+	On amt over
\$ .00	10%	\$ 0
987.50	12%	9,875
4,617.50	22%	40,125
14,605.50	24%	85,525
33,271.50	32%	163,300
47,367.50	35%	207,350
83,653.75	37%	311,025

## TAX RATE SCHEDULES **Married Filing Jointly or Qualifying Widow(er)**

### TAXABLE INCOME:

Over	But not over
\$ 0	\$ 19,750
19,750	80,250
80,250	171,050
171,050	326,600
326,600	414,700
414,700	622,050
622,050	-

### TAX:

Tax	+	On amt over
\$ .00	10%	\$ 0
1,975.00	12%	19,750
9,235.00	22%	80,250
29,211.00	24%	171,050
66,543.00	32%	326,600
94,735.00	35%	414,700
167,307.50	37%	622,050

## 2020 CORPORATE TAX RATES

The federal corporate income tax rate is 21%.

## 2020 ESTATE AND TRUST TAX RATES

### TAXABLE INCOME:

Over	But not over
\$ 0	\$ 2,600
2,600	9,450
9,450	12,950
12,950	-

### TAX:

Tax	+	On amt over
\$ .00	10%	\$ 0
260.00	24%	2,600
1,904.00	35%	9,450
3,129.00	37%	12,950

## TRADITIONAL IRA LIMITS

### IRA Contribution Limits

#### Regular Contributions

2020 Maximum Contribution .....\$6,000

#### "Catch Up" Contributions for Taxpayers 50 and over

2020 Catch Up.....\$1,000

## PHASEOUT OF IRA DEDUCTIONS

Filing Status	AGI Begin Phaseout	AGI Fully Phased Out
Single (or Married Filing Separately and lived apart from spouse for all of 2020)	\$ 65,000	\$ 75,000
Married Filing Jointly	\$104,000 (\$196,000 if spouse is not covered by a pension plan)	\$124,000 (\$206,000 if spouse is not covered by a pension plan)
Married Filing Separately	\$ 0	\$ 10,000
Head of Household	\$ 65,000	\$ 75,000
Qualifying Widow(er)	\$104,000	\$124,000



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