

Tax Rates

2021 Individual Tax Rates

Unmarried Individuals (other than surviving spouses and heads of households)	
Taxable Income	2021 Tax
Not over \$9,950	10% of taxable income
Over \$9,950 but not over \$40,525	\$995 plus 12% of the amount over \$9,950
Over \$40,525 but not over \$86,375	\$4,664 plus 22% of the amount over \$40,525
Over \$86,375 but not over \$164,925	\$14,751 plus 24% of the amount over \$86,375
Over \$164,925 but not over \$209,425	\$33,603 plus 32% of the amount over \$164,925
Over \$209,425 not over \$523,600	\$47,843 plus 35% of the amount over \$209,425
Over \$523,600	\$157,804.25 plus 37% of the amount over \$523,600
Married Individuals Filing Joint Returns, & Surviving Spouses	
Taxable Income	2021 Tax
Not over \$19,900	10% of taxable income
Over \$19,900 but not over \$81,050	\$1,990 plus 12% of the amount over \$19,900
Over \$81,050 but not over \$172,750	\$9,328 plus 22% of the amount over \$81,050
Over \$172,750 but not over \$329,850	\$29,502 plus 24% of the amount over \$172,750
Over \$329,850 but not over \$418,850	\$67,206 plus 32% of the amount over \$329,850
Over \$418,850 but not over \$628,300	\$95,686 plus 35% of the amount over \$418,850
Over \$628,300	\$168,993.50 plus 37% of the amount over \$628,300
Heads of Households	
Taxable Income	2021 Tax
Not over \$14,200	10% of taxable income
Over \$14,200 but not over \$54,200	\$1,420 plus 12% of the amount over \$14,200
Over \$54,200 but not over \$86,350	\$6,220 plus 22% of the amount over \$54,200
Over \$86,350 but not over \$164,900	\$13,293 plus 24% of the amount over \$86,350
Over \$164,900 but not over \$209,400	\$32,145 plus 32% of the amount over \$164,900
Over \$209,400 not over \$523,600	\$46,385 plus 35% of the amount over \$209,400
Over \$523,600	\$156,355 plus 37% of the amount over \$523,600

Married Individuals Filing Separate Returns	
Taxable Income	2021 Tax
Not over \$9,950	10% of taxable income
Over \$9,950 but not over \$40,525	\$995 plus 12% of the amount over \$9,950
Over \$40,525 but not over \$86,375	\$4,664 plus 22% of the amount over \$40,525
Over \$86,375 but not over \$164,925	\$14,751 plus 24% of the amount over \$86,375
Over \$164,925 but not over \$209,425	\$33,603 plus 32% of the amount over \$164,925
Over \$209,425 not over \$314,150	\$47,843 plus 35% of the amount over \$209,425
Over \$314,150	\$84,496.75 plus 37% of the amount over \$314,150

2021 C Corporation Tax Rates

Taxable Income	2021 Tax
Any Amount of Income	21%

2021 Estates & Trusts Tax Rates

Taxable Income	2021 Tax
Not over \$2,650	10% of the taxable income
Over \$2,650 but not over \$9,550	\$265 plus 24% of the excess over \$2,650
Over \$9,550 but not over \$13,050	\$1,921 plus 35% of excess over \$9,550
Over \$13,050	\$3,146 plus 37% of the excess over \$13,050

Social Security & Medicare

	Self-Employed	Employee
SS Tax Rate	12.4%	6.2%
Max Wages Subject to SS	\$154,629*	\$142,800
Med. Tax Rate	2.9%	1.45%
Additional Medicare Tax of 0.9%	Married Filing Joint – MAGI > \$250,000 Married Filing Separate – > \$125,000 Others – > \$200,00	

*The reason for the higher number is that only 92.35% of your net profits are taxed at 12.4%, and the \$142,800 threshold is after application of the 92.35%.

2021 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 - \$80,801 - \$501,600 20% Rate - over \$501,600
		<u>Married Filing Separately:</u> 15% Rate - \$40,401 - \$250,800 20% Rate - over \$250,800
		<u>Head of Household:</u> 15% Rate - \$54,101 - \$473,750 20% Rate - over \$473,750
		<u>Unmarried Individuals:</u> 15% Rate - \$40,401 - \$445,850 20% Rate - over \$445,850
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

2021 Standard Mileage Rates

IRS Mileage Rate (in cents per mile)	
Business	56.0
Charitable	14.0
Medical & Moving	16.0
Depreciation	26.0

Personal Deductions

2021 Standard Deduction

Filing Status	Standard Deduction
Unmarried Individuals	\$12,550
Married Individuals Filing Separate Returns	\$12,550
Heads of Households	\$18,800
Married Individuals Filing Joint Returns & Surviving Spouses	\$25,100
Dependents	\$12,550
Additional Amount for Aged & Blind	Married Filing Jointly - \$1,350 Single or Head of Household - \$1,700

2021 Personal Exemptions

Per Individual	No Longer Applicable
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DEPRECIATION LIMITS FOR PASSENGER VEHICLES PLACED IN SERVICE IN 2020

*Note that the 2021 limits will be released later in 2021	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 2021

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	\$66,000 - \$76,000	
Married, filing jointly	\$105,000 - \$125,000	
Married, filing separately	\$0 – \$10,000	
Nonparticipants in employer plans		
Nonparticipant married to a participant	\$198,000 - \$208,000	
Neither spouse a participant	Fully deductible	
Phase out of Roth IRA contribution eligibility		
Single	\$125,000 - \$140,000	
Married, filing jointly	\$198,000 - \$208,000	
Retirement Plan	Max Employee Contribution	Max Employer Contribution
SEP	N/A	25% of wages or 20% of net self-employment income, max of \$58,000
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 \$58,000 in 2021