

# Tax Facts and Figures



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## 2021 Federal Tax Rate Schedules

Single Taxable Income						
\$	0	to	9,950	×	10.0%	minus \$ 0.00 = Tax
	9,951	to	40,525	×	12.0%	minus 199.00 = Tax
	40,526	to	86,375	×	22.0%	minus 4,251.50 = Tax
	86,376	to	164,925	×	24.0%	minus 5,979.00 = Tax
	164,926	to	209,425	×	32.0%	minus 19,173.00 = Tax
	209,426	to	523,600	×	35.0%	minus 25,455.75 = Tax
	523,601	and over		×	37.0%	minus 35,927.75 = Tax
MFJ or QW Taxable Income						
\$	0	to	19,900	×	10.0%	minus \$ 0.00 = Tax
	19,901	to	81,050	×	12.0%	minus 398.00 = Tax
	81,051	to	172,750	×	22.0%	minus 8,503.00 = Tax
	172,751	to	329,850	×	24.0%	minus 11,958.00 = Tax
	329,851	to	418,850	×	32.0%	minus 38,346.00 = Tax
	418,851	to	628,300	×	35.0%	minus 50,911.50 = Tax
	628,301	and over		×	37.0%	minus 63,477.50 = Tax
MFS Taxable Income						
\$	0	to	9,950	×	10.0%	minus \$ 0.00 = Tax
	9,951	to	40,525	×	12.0%	minus 199.00 = Tax
	40,526	to	86,375	×	22.0%	minus 4,251.50 = Tax
	86,376	to	164,925	×	24.0%	minus 5,979.00 = Tax
	164,926	to	209,425	×	32.0%	minus 19,173.00 = Tax
	209,426	to	314,150	×	35.0%	minus 25,455.75 = Tax
	314,151	and over		×	37.0%	minus 31,738.75 = Tax
HOH Taxable Income						
\$	0	to	14,200	×	10.0%	minus \$ 0.00 = Tax
	14,201	to	54,200	×	12.0%	minus 284.00 = Tax
	54,201	to	86,350	×	22.0%	minus 5,704.00 = Tax
	86,351	to	164,900	×	24.0%	minus 7,431.00 = Tax
	164,901	to	209,400	×	32.0%	minus 20,623.00 = Tax
	209,401	to	523,600	×	35.0%	minus 26,905.00 = Tax
	523,601	and over		×	37.0%	minus 37,377.00 = 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

## 2021 Qualifying Relative Limit

The qualifying relative income limit is..... \$4,300

## 2021 Standard Deduction

The basic standard deduction for 2021 is:  
 Single or MFS..... \$12,550  
 MFJ or QW..... \$25,100  
 HOH..... \$18,800

**Age 65 and/or blind.** The additional amounts for age 65 or older and/or blind, per person, per event in 2021 are:  
 MFJ, QW, or MFS ..... \$1,350  
 Single or HOH..... \$1,700

**Dependent.** The standard deduction in 2021 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

Increased Child Tax Credit	<ul style="list-style-type: none"> <li>• \$3,600 per qualifying child under age 6.</li> <li>• \$3,000 per qualifying child age 6–17.</li> </ul>
Increased Child Tax Credit phaseout begins	MFJ, QW..... \$150,000 HOH..... \$112,500 Single, MFS..... \$75,000
<b>Child Tax Credit</b>	\$2,000 per qualifying child.
\$2,000 Child Tax Credit phaseout begins	MFJ..... \$400,000 Single, HOH, MFS..... \$200,000
<b>Credit for Other Dependents</b>	\$500 per dependent (not a qualifying child).

## Social Security Highlights

Employee's portion of FICA	2021	2020	2019
Maximum earnings subject to Social Security tax (Medicare no limit)	\$142,800	\$137,700	\$132,900
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$8,853.60	\$8,537.40	\$8,239.80

\*Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.



# Tax Facts and Figures

## Business Expenses

<b>2021 Standard Mileage Rate Per Mile</b>	Business.....	56.0¢
Medical and moving*		16.0¢
Charitable.....		14.0¢
Depreciation.....		26.0¢

### Section 179 Expense Limits

Regular 179 limits.....	\$1,050,000
SUV limits.....	\$26,200
Investment phaseout begins.....	\$2,620,000

### 2021 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.

## 2021 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.....	\$105,000–\$125,000
Single, HOH.....	\$66,000–\$76,000
MFS.....	\$0–\$10,000
Spouse not covered.....	\$198,000–\$208,000

### Roth IRA Phaseout Range

MFJ.....	\$198,000–\$208,000
Single, HOH.....	\$125,000–\$140,000
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%/\$58,000
Defined benefit plan limits.....	\$230,000
Compensation limits.....	\$290,000

## 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....	\$160,000–\$180,000
Single, HOH phaseout.....	\$80,000–\$90,000
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.....	\$124,800–\$154,800
Single, HOH phaseout.....	\$83,200–\$98,200

### 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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## 2021 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
<b>Taxable Income</b>		
Single.....	\$0 to \$40,400	0%
MFJ/QW.....	\$0 to \$80,800	
MFS.....	\$0 to \$40,400	
HOH.....	\$0 to \$54,100	
Estates and trusts.....	\$0 to \$2,700	
<b>Taxable Income</b>		
Single.....	\$40,401 to \$445,850	15%
MFJ/QW.....	\$80,801 to \$501,600	
MFS.....	\$40,401 to \$250,800	
HOH.....	\$54,101 to \$473,750	
Estates and Trusts.....	\$2,701 to \$13,250	
<b>Taxable Income</b>		
Single.....	\$445,851 and over	20%
MFJ/QW.....	\$501,601 and over	
MFS.....	\$250,801 and over	
HOH.....	\$473,751 and over	
Estates and Trusts.....	\$13,251 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

## 2021 Qualified Business Income Deduction Thresholds

MFJ: \$329,800	MFS: \$164,925	Single, HOH, QW: \$164,900
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## 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.