

**Single taxpayers**

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$9,950	10%		\$0
\$9,950	\$40,525	\$995	12%	\$9,950
\$40,525	\$86,375	\$4,664	22%	\$40,525
\$86,375	\$164,925	\$14,751	24%	\$86,375
\$164,925	\$209,425	\$33,603	32%	\$164,925
\$209,425	\$523,600	\$47,843	35%	\$209,425
\$523,600		\$157,804.25	37%	\$523,600

**Married taxpayers filing joint returns and surviving spouses**

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$19,900	10%		\$0
\$19,900	\$81,050	\$1,990	12%	\$19,900
\$81,050	\$172,750	\$9,328	22%	\$81,050
\$172,750	\$329,850	\$29,502	24%	\$172,750
\$329,850	\$418,850	\$67,206	32%	\$329,850
\$418,850	\$628,300	\$95,686	35%	\$418,850
\$628,300		\$168,993.50	37%	\$628,300

**Married taxpayers filing separate returns**

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$9,950	10%		\$0
\$9,950	\$40,525	\$995	12%	\$9,950
\$40,525	\$86,375	\$4,664	22%	\$40,525
\$86,375	\$164,925	\$14,751	24%	\$86,375
\$164,925	\$209,425	\$33,603	32%	\$164,925
\$209,425	\$314,150	\$47,843	35%	\$209,425
\$314,150		\$84,496.75	37%	\$314,150

**NET INVESTMENT INCOME TAX**

3.8% of the lesser of (1) net investment income or (2) the amount of modified adjusted gross income (MAGI) over these thresholds:

- Single: \$200,000.
- Married filing jointly and surviving spouses: \$250,000.
- Married filing separately: \$125,000.
- Heads of household: \$200,000.
- Estates and trusts: \$13,050.

**SELF-EMPLOYMENT TAX**

- Tax rate: 15.3% (12.4% OASDI tax plus 2.9% Medicare tax).
- Surtax: 0.9% Medicare surtax is applied to self-employment income in excess of \$200,000 (single), \$250,000 (married filing jointly), or \$125,000 (married filing separately).
- Wage base: \$142,800 of self-employment income for OASDI (maximum OASDI tax of \$17,707.20; no ceiling on Medicare tax).

**KIDDIE TAX**

For child subject to kiddie tax, net unearned income of child taxed at parents' marginal tax rate. Net unearned income for 2021 is the sum of (1) \$1,100 plus (2) the greater of \$1,100 or the child's

**Heads of household**

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$14,200	10%		\$0
\$14,200	\$54,200	\$1,420	12%	\$14,200
\$54,200	\$86,350	\$6,220	22%	\$54,200
\$86,350	\$164,900	\$13,293	24%	\$86,350
\$164,900	\$209,400	\$32,145	32%	\$164,900
\$209,400	\$523,600	\$46,385	35%	\$209,400
\$523,600		\$156,355	37%	\$523,600

**Trusts and estates**

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$2,650	10%		\$0
\$2,650	\$9,550	\$265	24%	\$2,650
\$9,550	\$13,050	\$1,921	35%	\$9,550
\$13,050		\$3,146	37%	\$13,050

**Long-term capital gains rates**

Filing status	0% rate: Taxable income of	15% rate: Taxable income of	20% rate: Taxable income of
Married filing jointly	\$0 to \$80,800	\$80,801 to \$501,600	\$501,601 and over
Married filing separately	\$0 to \$40,400	\$40,401 to \$250,800	\$250,801 and over
Heads of household	\$0 to \$54,100	\$54,101 to \$473,750	\$473,751 and over
Single	\$0 to \$40,400	\$40,401 to \$445,850	\$445,851 and over
Trusts and estates	\$0 to \$2,700	\$2,701 to \$13,250	\$13,251 and over

itemized deductions directly connected to the production of the unearned income if the child itemizes.

**PERSONAL EXEMPTION**

Personal exemptions are suspended from 2018 through 2025. A deemed personal exemption amount of \$4,300 is used for purposes of determining who is a "qualifying relative" under Sec. 152(d)(1)(B).

**STANDARD DEDUCTION**

- Single: \$12,550.
- Married filing jointly and surviving spouses: \$25,100.
- Married filing separately: \$12,550 (\$0 if spouse itemizes deductions).
- Heads of household: \$18,800.

Additional standard deduction for 65+ and blind taxpayers:

- Single: \$1,700.
- Married filing jointly and surviving spouses: \$1,350.
- Heads of household: \$1,700.

Standard deduction for individuals who can be claimed as dependents is the lesser of (1) \$12,550 or (2) the greater of \$1,100 or \$350 plus the individual's earned income.

**ITEMIZED DEDUCTIONS**

The overall limitation on itemized deductions is suspended from 2018 through 2025. Miscellaneous itemized deductions subject to the 2%-of-AGI floor are also suspended from 2018 through 2025.

**STANDARD MILEAGE RATE**

- Business: 56 cents per mile. Business mileage is no longer deductible as an unreimbursed employee business expense, except for members of a reserve component of the U.S. armed forces, state or local government officials paid on a fee basis, and certain performing artists.
- Medical and moving: 16 cents per mile. Moving mileage is deductible only by U.S. armed forces members on active duty who move pursuant to a military order and incident to a permanent change of station to whom Sec. 217(g) applies.
- Charitable services: 14 cents per mile.

For business autos for which the optional business standard mileage rate is used, the portion treated as depreciation is 26 cents per mile.

**TAX CREDITS**

- **Recovery rebate (third round):** \$1,400 (\$2,800 for married filing jointly) plus \$1,400 for each dependent, including college students and qualifying relatives who are claimed as dependents. Phases out for incomes above \$150,000 (for joint filers), \$112,500 (for heads of household), and \$75,000 (for other individuals).
- **Earned income:** Maximum credit depends on number of qualifying children: \$1,502 (none); \$3,618 (one); \$5,980 (two); \$6,728 (three or more), subject to phaseouts. For 2021, there are special rules for individuals with no children: The applicable minimum age is decreased to 19, except for students (24) and qualified former foster youth or homeless youth (18). The maximum age is eliminated. In addition, the threshold for disqualifying investment income is raised to \$10,000.
- **Child:** Increased to \$3,000 per child under age 18 (\$3,600 for children under 6). The credit is fully refundable for 2021. The increased credit amount phases out for taxpayers with incomes over \$150,000 for married taxpayers filing jointly, \$112,500 for heads of household, and \$75,000 for others. Taxpayers in general will have to reconcile the advance payment amount with the actual credit amount on their return.
- **Child and dependent care:** For 2021, the credit is refundable and worth 50% of eligible expenses, up to a limit based on income, making the credit worth up to \$4,000 for one qualifying individual and up to \$8,000 for two or more. Credit reduction starts at household income levels over \$125,000, and taxpayers with adjusted gross income over \$438,000 are not eligible for the credit. In addition, the exclusion for employer-provided dependent care assistance increases to \$10,500 for 2021.
- **Adoption expense:** \$14,440 maximum. Phases out with MAGI between \$216,660 and \$256,660.
- **American opportunity:** \$2,500 per year maximum (100% of the first \$2,000 of qualifying expenses and 25% of the next \$2,000), with 40% of the credit refundable unless the taxpayer is a child subject to the kiddie tax. Phases out for single taxpayers with MAGIs between \$80,000 and \$90,000 (\$160,000 and \$180,000 for married filing jointly).
- **Lifetime learning:** 20% of up to \$10,000 of qualified tuition and related expenses. Phases out between \$59,000 and \$69,000 of MAGI for single filers and from \$119,000 to \$139,000 for married filing jointly.
- **Sec. 25D residential energy-efficient property:** 26% of amount paid for qualifying property (for qualified fuel cell property, maximum credit of \$500 for each 0.5 kilowatt of capacity).
- **Small business health insurance:** 50% of amount of nonelective contributions an eligible small business makes on behalf of its

employees for premiums for certain health insurance coverage (35% credit against payroll tax for tax-exempt entities). Available for two consecutive tax years. Phases out for employers with between 10 and 25 full-time-equivalent employees and average annual wages of between \$27,800 and \$55,600.

**SAVER'S CREDIT APPLICABLE PERCENTAGES**

AGI, married filing jointly	AGI, heads of household	AGI, all other filers	Applicable percentage
\$0 to \$39,500	\$0 to \$29,625	\$0 to \$19,750	50%
\$39,501 to \$43,000	\$29,626 to \$32,250	\$19,751 to \$21,500	20%
\$43,001 to \$66,000	\$32,251 to \$49,500	\$21,501 to \$33,000	10%

**SEC. 179 AND BONUS DEPRECIATION**

- Sec. 179 expense deduction: \$1,050,000 with a phaseout threshold of \$2,620,000.
- Sec. 168(k) bonus depreciation: 100% of adjusted basis of qualifying property in the first year it is placed in service (for property placed in service after Sept. 27, 2017).

**RETIREMENT PLAN LIMITS**

- Maximum 401(k) plan elective deferral: \$19,500 (plus \$6,500 catch-up for age 50+).
- Defined benefit plan maximum benefit: \$230,000.
- Defined contribution plan contribution limit: \$58,000 or 100% of compensation, whichever is less.
- IRA contribution limit: \$6,000 (plus \$1,000 catch-up for age 50+).
- IRA deduction phaseout for active participant in a workplace retirement plan: MAGI from \$105,000 to \$125,000 (married filing jointly); \$66,000 to \$76,000 (single taxpayers and heads of household); \$0 to \$10,000 (married filing separately); \$198,000 to \$208,000 (individual who is not an active participant in a workplace retirement plan whose spouse is an active participant in a workplace retirement plan).
- Roth IRA contribution limit: \$6,000 (plus \$1,000 catch-up for age 50+).
- Roth IRA contribution limit phaseout (MAGI): \$198,000 to \$208,000 (married filing jointly); \$125,000 to \$140,000 (single and heads of household); \$0 to \$10,000 (married filing separately).
- SEP minimum required compensation: \$650; compensation limit for determining maximum allowable contributions by employer: \$290,000.

**ESTATES AND GIFTS**

- Per donee annual gift tax exclusion: \$15,000.
- Annual exclusion for transfers to noncitizen spouse: \$159,000.
- Gift/estate tax exclusion: \$11,700,000; estate of first spouse to die may pass unused portion of exclusion to surviving spouse.

**ALTERNATIVE MINIMUM TAX**

Filing status or entity	AMT exemption amount	AMTI phaseout of exemption*
Married filing jointly or surviving spouses	\$114,600	\$1,047,200 to \$1,505,600
Single or heads of household	\$73,600	\$523,600 to \$818,000
Married filing separately	\$57,300	\$523,600 to \$752,800
Estates and trusts	\$25,700	\$85,650 to \$188,450

\* At 25% of AMTI above phaseout threshold.



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\*U.S. Census Bureau

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