



# Tax Facts and Figures



## LET'S START A CONVERSATION

We'd love to meet you, talk about your financial goals, and see if we're the right fit to help you get there.

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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 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.

### 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

<b>Child Tax Credit</b>	\$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
<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.