

2020 TAX REFERENCE GUIDE

TAX BRACKETS FOR 2020

MARRIED, FILING JOINTLY

\$0 - \$19,750	10%
\$19,751 - \$80,250	12%
\$80,251 - \$171,050	22%
\$171,051 - \$326,600	24%
\$326,601 - \$414,700	32%
\$414,701 - \$622,050	35%
Over \$622,050	37%

SINGLE

\$0 - \$9,875	10%
\$9,876 - \$40,125	12%
\$40,126 - \$85,525	22%
\$85,526 - \$163,300	24%
\$163,301 - \$207,350	32%
\$207,351 - \$518,400	35%
Over \$518,400	37%

TRUST

Over \$12,950	37%
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LONG TERM CAPITAL GAINS/QUALIFIED DIVIDEND RATES FOR 2020

MARRIED FILING JOINTLY

\$0 - \$80,000	\$80,001 - \$250,000	\$250,001 - \$496,600	Over \$496,600
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SINGLE TAXPAYER (2018)

\$0 - \$40,000	\$40,001 - \$200,000	\$200,001 - \$441,450	Over \$441,450
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LONG-TERM CAPITAL GAINS RATE

0%	15%	15%	20%
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NET INVESTMENT INCOME TAX

0%	0%	3.8%	3.8%
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COMBINED LONG-TERM CAPITAL GAINS TAX RATE

0%	15%	18.8%	23.8%
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RETIREMENT

IRA AND ROTH IRA CONTRIBUTION LIMITS

	2020	2019
Under Age 50	\$6,000	\$6,000
Age 50 and Over	\$7,000	\$7,000

Eligibility for Roth: Modified AGI is less than \$124,000 (single) or \$196,000 (married) in 2020. For 2019, \$122,000 and \$193,000.

401(k) AND 403(b) CONTRIBUTION LIMITS

Under Age 50	\$19,500	\$19,000
Age 50 and Over	\$26,000	\$25,000

SIMPLE IRA ELECTIVE DEFERRAL

Under Age 50	\$13,500	\$13,000
Age 50 and Over	\$16,500	\$16,000

SEP CONTRIBUTION LIMITS

	\$57,000	\$56,000
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Up to 25% of compensation. Minimum compensation \$600.

LIMIT ON ANNUAL ADDITIONS TO DEFINED CONTRIBUTION PLANS

Under Age 50	\$57,000	\$56,000
Age 50 and Over	\$63,500	\$62,000

ANNUAL BENEFIT LIMIT UNDER DEFINED BENEFIT PLAN

	\$230,000	\$225,000
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LIMITATION USED IN DEFINING HIGHLY COMPENSATED EMPLOYEES

	\$130,000	\$125,000
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MAXIMUM EARNINGS BEFORE SOCIAL SECURITY REDUCED

Under Full Retirement Age (\$1 withheld for every \$2 earned)	\$18,240	\$17,640
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HEALTH SAVINGS ACCOUNTS CONTRIBUTION LIMITS

Single	\$3,550	\$3,500
Family	\$7,100	\$7,000
Age 55 and Over (Catch-up)	\$1,000	\$1,000

Must be covered by high deductible plan. Minimum annual deductibles of \$1,400 (single) or \$2,800 (family).

DEDUCTIONS, EXEMPTIONS AND EXCLUSIONS

	2020	2019
Federal Estate Tax Exemption	\$11,580,000	\$11,400,000
Illinois - State Estate Tax Exemption	\$4,000,000	\$4,000,000
Personal Exemptions	\$0*	\$0*
Federal Estate Tax (Highest Rate)	40%	40%
Annual Exclusion for Gifts	\$15,000	\$15,000
Social Security Wage Limit	\$137,700	\$132,900

STANDARD DEDUCTION

Married, Filing Joint	\$24,800	\$24,400
Single	\$12,400	\$12,200

If over age 65, additional standard deduction of \$1,300 per person.

AMT EXEMPTION

Married, Filing Joint	\$113,400	\$111,700
Single	\$72,900	\$71,700

Exemption phase-out begins at \$1,036,800 (married) or \$518,400 (single).

CHARITABLE DONATIONS

Cash donations	Up to 60% of AGI	Up to 60% of AGI
Qualified Charitable Distributions (QCD)	Up to \$100,000	Up to \$100,000

QCD's are distributions from qualified retirement accounts directly to a charity by taxpayers over 70.5. These distributions DO satisfy RMD's

STATE TAX DEDUCTION

State and local income, sales, real estate, and property taxes in aggregate.	\$10,000*	\$10,000*
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MORTGAGE INTEREST DEDUCTION ON PERSONAL RESIDENCES (UP TO 2*)

Mortgage debt acquired after 12/15/2017	Up to \$750,000 of principal*
Mortgage debt acquired before 12/15/2017	Up to \$1,000,000 of principal
Home equity (HELOC) debt	\$0*

MEDICAL EXPENSES DEDUCTION

Medical expenses in excess of 10% of AGI are eligible as an itemized deduction for 2019 and 2020.

SUSPENDED ITEMIZED DEDUCTIONS*

- Tax preparation fees
- Investment expenses
- Unreimbursed business expenses
- Professional and union dues

*Applies to tax years 2018-2025.

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