





# Tax Facts and Figures

## Business Expenses

<b>2020 Standard Mileage Rate Per Mile</b>	<b>2020 Standard Deduction for Meals— High Low Method (Per Day)</b>
Business.....57.5¢	High cost localities.....\$71
Medical and moving*.....17.0¢	All other localities.....\$60
Charitable.....14.0¢	Transportation workers.....\$66
Depreciation.....27.0¢	
<b>Section 179 Expense Limits</b>	<b>Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)</b>
Regular 179 limits.....\$1,040,000	Commuter benefits (per month)....\$270
SUV limits.....\$25,900	Parking benefits (per month).....\$270
Investment phaseout begins.....\$2,590,000	

\*The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

## 2020 Retirement Plan Limits

<b>401(k)/403(b) Deferral Limits</b>	<b>Roth IRA Phaseout Range</b>
Under age 50.....\$19,500	MFJ.....\$196,000–\$206,000
Age 50 and over.....\$26,000	Single, HOH.....\$124,000–\$139,000
<b>IRA Contribution Limits</b>	MFS.....\$0–\$10,000
Under age 50.....\$6,000	<b>SIMPLE Deferral Limits</b>
Age 50 and over.....\$7,000	Under age 50.....\$13,500
<b>IRA Deduction Phaseout Range if Covered by Employer Plan</b>	Age 50 and over.....\$16,500
MFJ.....\$104,000–\$124,000	<b>Qualified Retirement Plans</b>
Single, HOH.....\$65,000–\$75,000	Profit sharing/SEP
MFS.....\$0–\$10,000	limits.....25%/57,000
Spouse not covered.....\$196,000–\$206,000	Defined benefit plan limits...\$230,000
	Compensation limits.....\$285,000

## Education Tax Benefits

<b>American Opportunity Credit</b>	<b>Education Savings Account (ESA)</b>
MFJ phaseout....\$160,000–\$180,000	MFJ phaseout.....\$190,000–\$220,000
Single, HOH phaseout.....\$80,000–\$90,000	All others.....\$95,000–\$110,000
Maximum credit: \$2,500 per student	Annual contribution limit: \$2,000 per beneficiary
Up to 40% (\$1,000) may be refundable	<b>Student Loan Interest Deduction</b>
<b>Lifetime Learning Credit</b>	MFJ phaseout.....\$140,000–\$170,000
MFJ phaseout....\$118,000–\$138,000	Single, HOH phaseout.....\$70,000–\$85,000
Single, HOH phaseout.....\$59,000–\$69,000	Maximum deduction: \$2,500 per return
Maximum credit: \$2,000 per return	<b>U.S. Savings Bonds Interest Exclusion</b>
	MFJ phaseout.....\$123,550–\$153,550
	Single, HOH phaseout.....\$82,350–\$97,350

### 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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## 2020 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 \$40,000	0%	
MFJ/QW.....\$0 to \$80,000		
MFS.....\$0 to \$40,000		
HOH.....\$0 to \$53,600		
Estates and trusts.....\$0 to \$2,650		
<b>Taxable Income</b>		
Single.....\$40,001 to \$441,450	15%	
MFJ/QW.....\$80,001 to \$496,600		
MFS.....\$40,001 to \$248,300		
HOH.....\$53,601 to \$469,050		
Estates and Trusts.....\$2,651 to \$13,150		
<b>Taxable Income</b>		
Single.....\$441,451 and over	20%	
MFJ/QW.....\$496,601 and over		
MFS.....\$248,301 and over		
HOH.....\$469,051 and over		
Estates and Trusts.....\$13,151 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

## 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.