

2019 Tax Rates Etc. as Indexed

Most of the inflation adjusted amounts are indexed based on inflation factors as of August 31st each year. Various tax reference sources make projections based on these factors. We have chosen to wait until the official numbers have been released. Here are the official 2019 amounts.

Revenue Procedure 2018-57 contains most of the inflation adjusted amounts for 2019. A copy of the Rev. Proc. can be found at www.irs.gov/pub/ by clicking on irs-drop and clicking on rp-2018-57.

- Tax Rates - Ceilings

Single

- 10% bracket tops at \$9,700
- 12% tops at \$39,475
- 22% tops at \$84,200
- 24% tops at \$160,725
- 32% tops at \$204,100
- 35% tops at \$510,300
- 37% applies to anything over \$510,300

MFJ

- 10% bracket tops at \$19,400
- 12% tops at \$78,950
- 22% tops at \$168,400
- 24% tops at \$321,450
- 32% tops at \$408,200
- 35% tops at \$612,350
- 37% applies to anything over \$612,350

Head of Household

- 10% bracket tops at \$13,850
- 12% tops at \$52,850
- 22% tops at \$84,200
- 24% tops at \$160,700
- 32% tops at \$204,100
- 35% tops at \$510,300
- 37% applies to anything over \$510,300

MFS

- 10% bracket tops at \$9,700
- 12% tops at \$39,475
- 22% tops at \$84,200
- 24% tops at \$160,725
- 33% tops at \$204,100
- 35% tops at \$306,175

37% applies to anything over \$306,175

Estates & Trusts

10% bracket tops at \$2,600

24% tops at \$9,300

35% at \$12,750

37% applies to anything over \$12,750

- Exemption amount is \$0. The “exemption amount” for most other purposes, such as the gross income test for claiming a qualified relative, a disability trust, etc. is \$4,200.

- Standard deduction amounts are: MFJ-\$24,400, Single & MFS-\$12,200, HH-\$18,350, Additional amounts for aged/blind-\$1,650 for unmarried and \$1,300 for married status.

- Kiddie Tax

Standard Deduction is \$1,100, the next \$1,100 is taxed at the trust rates, and the excess is taxed at trust rates. AMT Exemption amount is the child’s earned income plus \$7,750.

- AMT – The exemption amounts are:

MFJ/QW = \$111,700

S/HH = \$71,700

MFS = \$55,850

Estates/trusts = \$25,000

The excess taxable income level (where the 28% AMT rate applies) is:

MFJ/QW/S/HH = \$194,800

MFS = \$97,400

- Adoption Credit - \$14,080 is the maximum for the credit or assistance amounts. The phase out starts at \$211,160 and is completely phased out at \$251,160.

- Child Tax Credit – refundable portion uses an income base of \$2,500.

- Education Credits. The phase-out for the American Opportunity Credit starts at \$80,000 (\$160,000 for MFJ). The phase-out for the Lifetime Learning Credit \$58,000 (\$116,000 for MFJ).

- EIC maximum AGI/earned income for MFJ is \$46,884 for one child, \$52,493 for two children, \$55,952 for three or more children, and \$21,370 for no children. The EIC maximum AGI/earned income for other taxpayers is \$41,094 for one child, \$46,703 for two children, \$50,162 for three or more children, and \$15,570 for no children. Excessive investment income level for EIC is \$3,600.

- Transportation Fringe maximum exclusion for monthly parking is \$265/month as well as for commuter highway vehicle and transit passes.

- Savings Bonds for Education phase out level starts at \$121,600 for MFJ and \$81,100 for other filing statuses. This is completely phased out at \$151,600 for MFJ and \$96,100 for other filing statuses.

- §179 election maximum is \$1,020,000, with a phase-out starting at \$2,550,000.

- Foreign Earned Income exclusion is \$105,900.

- Long-term care premiums are limited to:

Age

40 or less-----\$420

>40, but not >50-----\$790

>50, but not >60-----\$1,580

>60, but not >70-----\$4,220

>70-----\$5,270

- Long-term care contract benefit amount is \$370 per day.

- Student loan interest maximum is \$2,500, with a phase out starting at \$70,000 (\$140,000 for MFJ). This is completely phased out at \$85,000 (\$170,000 for MFJ)

- Annual gift tax exclusion remains at \$15,000, while the limit on gifts to noncitizen spouses is at \$155,000.

- Exclusion amount for Estate/Gift tax is \$11,400,000.

- Attorney Fee Awards are limited to \$200 per hour.

- MSA

Self-only coverage annual deductible is not less than \$2,350 nor more than \$3,500, with out-of-pocket limits not in excess of \$4,650.

Family coverage annual deductible is not less than \$4,650 nor more than \$7,000, with out-of-pocket limits not in excess of \$8,550.

- Educator Deduction – The maximum above-the-line deduction for qualified educators remains at \$250.

- Cafeteria Plan – The dollar limitation for §125 health FSAs increases to \$2,700.

- Qualified Small Employer Health Reimbursement Arrangement – Limits are \$5,150 for individual coverage and \$10,450 for family coverage.

- Small Employer Health Insurance Credit – The dollar amount for purposes of limiting this credit is \$27,100.

- Penalty for failure to file a Partnership or S corporation return is \$205 per month per Schedule K-1.

- Penalty for failure to file correct Forms 1099 is \$270 (intentional disregard is \$550).

Penalty for failure to exercise due diligence in determining taxpayer's eligibility for child tax credit, American Opportunity tax credit, and earned income tax credit is \$530.

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