

2020 Indexed Amounts

Many numbers we use in our profession are indexed for inflation. The effective date for many of these inflation calculations is August 31st. This chart contains the amounts for 2019 and 2020 for many items we deal with on a regular basis. These amounts are the official IRS amounts. Any amounts that have not yet been officially released by IRS are indicated with an “*”.

Tax Rates	2019	2020
- Single		
10% bracket tops at	9,700	9,875
12% bracket tops at	39,475	40,125
22% bracket tops at	84,200	85,525
24% bracket tops at	160,725	163,300
32% bracket tops at	204,100	207,350
35% bracket tops at	510,300	518,400
37% after	510,300	518,400
- Married Filing Joint/Qualified Widow(er)		
10% bracket tops at	19,400	19,750
12% bracket tops at	78,950	80,250
22% bracket tops at	168,400	171,050
24% bracket tops at	321,450	326,600
32% bracket tops at	408,200	414,700
35% bracket tops at	612,350	622,050
37% after	612,350	622,050
- Head of Household		
10% bracket tops at	13,850	14,100
12% bracket tops at	52,850	53,700
22% bracket tops at	84,200	85,500
24% bracket tops at	160,700	163,300
32% bracket tops at	204,100	207,350
35% bracket tops at	510,300	518,400
37% after	510,300	518,400
- Married Filing Separately		
10% bracket tops at	9,700	9,875
12% bracket tops at	39,475	40,125
22% bracket tops at	84,200	85,525
24% bracket tops at	160,725	163,300
32% bracket tops at	204,100	207,350
35% bracket tops at	306,175	311,025
37% after	306,175	311,025
- Estates & Trusts		
10% bracket tops at	2,600	2,600
24% bracket tops at	9,300	9,450
35% bracket tops at	12,750	12,950
34% bracket tops at	12,750	12,950

- Capital gain rates at 15% between:		
Single	39,375-434,550	40,000-441,450
Married Filing Jointly	78,750-488,850	80,000-496,600
Head of Household	52,750-461,700	53,600-469,050
Married Filing Separately	39,375-244,425	40,000-248,300
Estates & Trusts	2,650-12,950	2,650-13,150
(The 20% capital gain rate applies after the above maximum amount)		

Standard Deduction

- Single	12,200	12,400
- Married Filing Joint/Qualified Widow(er)	24,400	24,800
- Head of Household	18,350	18,650
- Married Filing Separate	12,200	12,400
- Dependents	1,100 (or 350 plus earned income)	1,100 (or 350 plus earned income)
Extra for Age or Blindness		
- Single	1,650	1,650
- Married	1,300	1,300

Kiddie tax

- Exempt from kiddie tax	2,200	2,200
- Parents can elect to report on their return if child's income is more than, but less than:	1,100 / 11,000	1,100 / 11,000

Exemption Amount (no longer used for exemptions but still used for gross income test, disability trusts and other purposes)

4,200	4,300
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Alternative Minimum Tax Exemption

- Single and HH	71,700	72,900
- Married Filing Joint/Qualified Widow(er)	111,700	113,400
- Married Filing Separately	55,850	56,700
- Estates and Trusts	25,000	25,400
- Child subject to Kiddie Tax	7,750 plus earned income	7,900 plus earned income

Alternative Minimum Tax Exemption Phase-out

- Single and HH	510,300	518,400
- Married Filing Joint/Qualified Widow(er)	1,020,600	1,036,800
- Married Filing Separately	510,300	518,400
- Estates and Trusts	83,500	84,800

Section 199A (QBI)

- Married Filing Joint	321,400	326,600
- Married Filing Separately	160,700	163,300
- All other filers	160,700	163,300

(The phase in is not indexed and remains at \$100,000 for MFJ and \$50,000 for all others.)

Educator Expense	250	250
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Nanny Tax Threshold	2,100	2,200
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Adoption Credit & Exclusion	14,080	14,300
- Phase-out range	211,160-251,160	214,520-254,520
Saver's Credit Phaseout ceilings		
50% credit ceiling	MFJ 38,500, HH 28,875, S & MFS 19,250	MFJ 39,000, HH 29,250, S & MFS 19,500
20% credit ceiling	MFJ 41,500, HH 31,125, S & MFS 20,750	MFJ 42,500, HH 31,875, S & MFS 21,250
10% credit ceiling	MFJ 64,000, HH 48,000, S & MFS 32,000	MFJ 65,000, HH 48,750, S & MFS 32,500
Child Tax Credit		
- Income base for refundable portion	2,500	2,500
- Refundable portion cannot exceed	1,400	1,400
Earned Income Credit		
- Maximum credit income level		
- - no children	6,920 of income	7,030 of income
- - one child	10,370 of income	10,540 of income
- - two children	14,570 of income	14,800 of income
- - three children or more	14,570 of income	14,800 of income
- Maximum AGI		
- - no children	15,570 (21,370 for MFJ)	15,820 (21,710 for MFJ)
- - one child	41,094 (46,884 for MFJ)	41,756 (47,656 for MFJ)
- - two children	46,703 (52,493 for MFJ)	47,440 (53,330 for MFJ)
- - three or more children	50,162 (55,952 for MFJ)	50,954 (56,844 for MFJ)
- Investment income (max)	3,600	3,650
Education Credits		
American Opportunity Credit	100% of first 2,000 + 25% of second 2,000	100% of first 2,000 + 25% of second 2,000
Phase-out level for:		
- American Opportunity Credit	Begins at 80,000 (160,000 MFJ)	Begins at 80,000 (160,000 MFJ)
- Lifetime Learning Credit	Begins at 58,000 (116,000 MFJ)	Begins at 59,000 (118,000 MFJ)
- Savings Bonds used for Education	Begins at 81,100 (121,600 MFJ)	Begins at 82,350 (123,550 MFJ)
- Student Loan Interest	70,000-85,000 (140,000-170,000 for MFJ)	70,000-85,000 (140,000-170,000 for MFJ)
Transportation fringes		
- Parking, Transit passes, commuter highway	265	270
§179 expensing		
- SUV Maximum section 179 limitation	1,020,000 maximum w/phase-out beginning at 2,550,000 of qualified purchases 25,500	1,040,000 maximum w/phase-out beginning at 2,590,000 of qualified purchases 25,900

Foreign Earned Income Exclusion	105,900	107,600
- Maximum housing deduction (30% of above)	31,770	32,280
Long-Term Care		
-Premiums – max deductible		
Not over age 40	420	430
> 40, but not > 50	790	810
> 50, but not > 60	1,580	1,630
> 60, but not > 70	4,220	4,350
> 70	5,270	5,430
Benefits – max excludible	370/day	380/day
Gift Tax Exclusion (annual)	15,000	15,000
Estate & Gift Tax Exclusion (lifetime)	11,400,000	11,580,000
Gifts to noncitizen spouse	155,000	157,000
Medical Savings Accounts (MSA)		
- Self only coverage		
	2,350-3,500 deductible	2,350-3,550 deductible
	4,650 out of pocket max	4,750 out of pocket max
- Family coverage		
	4,650-7,000 deductible	4,750-7,100 deductible
	8,550 out of pocket max	8,650 out of pocket max
Qualified Small Employer Health Reimbursement Arrangements (HRA)		
- Self only plan		
	5,150	5,250
- Family plan		
	10,450	10,600
Flexible Spending Arrangements (FSA)	2,700	2,750
PER DIEMS		
- Meals		
	55-76/day effective 10/1/18	unchanged
- Mileage		
	.58 mile	*
	(.26 = depreciation)	*
	.14 for charity	.14 for charity
	.20 for medical & moving	*
PENALTIES		
- 6651(a) Failure to file tax return		
	215	330
- 6695(g) due diligence failure (EIC, CTC, AOTC, HH)		
	530	540
- 6698(b)(1) to Failure to file partnership or S corporation return (per month per Schedule 1)		
	205	210
- 6721(d) Failure to file 1099s/W2s		
	270	280
- 6721(e) Willful failure to file 1099s/W2s		
	550	560
- 5000A Failure to have insurance		
	0	0
Limitation on use of cash method of accounting (gross income test)	26,000,000	26,000,000

Excess Business Loss (Section 461(l)(e)(A))

Married Filing Joint	510,000	518,000
Others	255,000	259,000

Resources for 2020 amounts:

Revenue Procedure 2019-25 (HSA)

Revenue Procedure 2019-44

Notice 2019-59