**Key Numbers for 2020**

*Presented by Nancy J. LaPointe*

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| **Individual Income Tax** |
| **Unmarried Individual (Other than Surviving Spouse and Head of Household)** |
| **If taxable income is:** | **The tax rate of taxable income is:** |
| $9,875 and under | 10% of the taxable income |
| Over $ 9,875 but not over $40,125 | $987.50 plus 12% of the excess over $9,875 |
| Over $40,125 but not over $85,525 | $4,617.50 plus 22% of the excess over $40,125 |
| Over $85,525 but not over $163,300 | $14,605.50 plus 24% of the excess over $85,525 |
| Over $163,300 but not over $207,350 | $33,271.50 plus 32% of the excess over $163,300 |
| Over $207,350 but not over $518,400 | $47,367.50 plus 35% of the excess over $207,350 |
| Over $518,400 | $156,235 plus 37% of the excess over $518,400 |
| **Married Individual Filing Jointly and Surviving Spouse** |
| $19,750 and under | 10% of the taxable income |
| Over $19,750 but not over $80,250 | $1,975 plus 12% of the excess over $19,750 |
| Over $80,250 but not over $171,050 | $9,235 plus 22% of the excess over $80,250 |
| Over $171,050 but not over $326,600 | $29,211 plus 24% of the excess over $171,050 |
| Over $326,600 but not over $414,700 | $65,543 plus 32% of the excess over $326,600 |
| Over $414,700 but not over $622,050  | $94,735 plus 35% of the excess over $414,700 |
| Over $622,050 | $167,307.50 plus 37% of the excess over $622,050 |
| **Married Individual Filing Separately** |
| **If taxable income is:** | **The tax rate of taxable income is:** |
| $9,875 and under | 10% of the taxable income |
| Over $9,875 but not over $40,125 | $987.50 plus 12% of the excess over $9,875 |
| Over $40,125 but not over $85,525 | $4,617.50 plus 22% of the excess over $40,125 |
| Over $85,525 but not over $163,300 | $14,605.50 plus 24% of the excess over $85,525 |
| Over $163,300 but not over $207,350 | $33,217.50 plus 32% of the excess over $163,300 |
| Over $207,350 but not over $311,025 | $47,367.50 plus 35% of the excess over $207,350 |
| Over $311,025 | $83,653.75 plus 37% of the excess over $311,025 |
| **Head of Household** |
| **If taxable income is:** | **The tax rate of taxable income is:** |
| $14,100 and under | 10% of the taxable income |
| Over $14,100 but not over $53,700 | $1,410 plus 12% of the excess over $14,100 |
| Over $53,700 but not over $85,500 | $6,162 plus 22% of the excess over $53,700 |
| Over $85,500 but not over $163,300 | $13,158 plus 24% of the excess over $85,500 |
| Over $163,300 but not over $207,350 | $31,830 plus 32% of the excess over $163,300 |
| Over $207,350 but not over $518,400 | $45,926 plus 35% of the excess over $207,350 |
| Over $518,400 | $154,793.50 plus 37% of the excess over $518,400 |

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| **Trusts and Estates** |
| **If taxable income is:** | **The tax is:** |
| $2,600 and under | 10% of the taxable income |
| Over $2,600 but not over $9,450 | $260 plus 24% of the excess over $2,600 |
| Over $9,450 but not over $12,950 | $1,904 plus 35% of the excess over $9,450 |
| Over $12,950 | $3,129 plus 37% of the excess over $12,950 |

 **Qualified Business Income**. For taxable years beginning in 2020, the threshold amount under Section 199A(e)(2) is $326,600 for married individuals filing jointly, $163,300 for married individuals filing separately, and $163,300 for unmarried individuals and heads of households.

[The Tax Cuts and Jobs Act](https://taxfoundation.org/final-tax-cuts-and-jobs-act-details-analysis/) (TCJA) reduced the U.S. federal corporate income tax rate from 35 percent to 21 percent.

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| **Standard Deductions** |
| Married Filing Jointly and Surviving Spouse | $24,800 | Married Filing Separately | $12,400 |
| Single | $12,400 | Head of Household | $18,650 |

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| Kiddie Tax |
| Applies to unearned income more than $2,200 for children younger than 18 (and full-time students between ages 19 and 24 whose earned income does not exceed half of their support for the year).TCJA modified the tax rates and brackets to figure the tax on unearned income. This tax rate is no longer affected by the tax situation of parents; all net unearned income over a threshold amount of $2,200 for 2020 is taxed using the same brackets and rates for estates and trusts. These rates are shown in the following chart.

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| **If taxable income is:** | **The tax is:** |
| $2,600 and under | 10% of the taxable income |
| Over $2,600 but not over $9,450 | $260 plus 24% of the excess over $2,600 |
| Over $9,450 but not over $12,950 | $1,904 plus 35% of the excess over $9,450 |
| Over $12,950 | $3,129 plus 37% of the excess over $12,950 |

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| AMT |
|  | **Exemption** | **Phaseout** |
| Married Individual Filing Jointly and Surviving Spouse | $113,400 | $1,036,800 |
| Single | $72,900 | $518,400 |
| Married Individual Filing Separately | $56,700 | $518,400 |
| Trusts and Estates | $25,400 | $84,800 |

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| **Long-Term Capital Gains and Qualified Dividend Tax** |
| **Capital Gains Tax Rate** | **Unmarried** | **Married Filing Jointly** |
| 20%\* | $441,450+ | $496,600+ |
| 15%\* | $40,001–$441,450 | $80,001–$496,600 |
| 0% | $0–$40,000 | $0–$80,000 |
| **\*Additional 3.8% unearned income Medicare contribution tax applies to the lesser of net investment income or modified adjusted gross income (MAGI) above the following thresholds:** |
| Married Filing Jointly | $250,000 | Married Filing Separately | $125,000 |
| Single | $200,000 | Head of Household | $200,000 |

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| Health Savings Account (HSA) Maximum Contribution Limits |
| Self-Only Coverage | If younger than age 55: $3,550; if age 55–65: $4,550 |
| Family Coverage | If younger than age 55: $7,100; if age 55–65: $8,100 |

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| **Retirement Plan Limits** |
| 401(k), SARSEP, Section 457(b), 403(b) Elective Deferral Limit | $19,500 |
| Age 50+ Catch-Up for 401(k), SARSEP, 457(b), 403(b) | $6,500 |
| SIMPLE Elective Deferral Limit | $13,500 |
| Age 50+ Catch-Up for SIMPLE IRA | $3,000 |
| Traditional and Roth IRA Contributions | $6,000 |
| Age 50+ Catch-Up for IRA and Roth IRA | $1,000 |
| Section 415 Limit (Defined Contribution Plan) | $57,000 |
| Defined Benefit Plan Benefit Limit | $230,000 |
| Annual Compensation Limit for QRP, SEP, and 403(b) | $285,000 |
| Highly Compensated Definition | $130,000 |
| Control Employee | $115,000 |
| Key Employee in Top-Heavy Plan Definition | $185,000 |

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| **IRA Deduction Phaseout for Active Participants** |
| **Filing Status** | **Starting at:** | **Fully Phased Out at:** |
| Single or Head of Household | $65,000 | $75,000 |
| Married Filing Jointly or Qualifying Widow(er) | $104,000 | $124,000 |
| Married Filing Jointly and Spouse Is Active Participant in an Employer Plan | $196,000 | $206,000 |
| Married Filing Separately and Either Spouse Is Active Participant in an Employer Plan | $0 | $10,000 |

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| **Roth Contribution Income Limits** |
| **Filing Status** | **Starting at:** | **Fully Phased Out at:** |
| Single | $124,000 | $139,000 |
| Married Filing Jointly | $196,000 | $206,000 |
| Married Filing Separately | $0 | $10,000 |

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| **Business Health Insurance** |
| Health Insurance Premium Deduction for Self-Employed | 100% |
| Limit on Employee Health Insurance Credit for Small Employers | $27,600 |

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| **Education Planning** |
| U.S. Savings Bond Income Exclusion Phaseout  | Modified AGI $123,500 to $153,550 (joint)Modified AGI $82,350 to $97,350 (others) |
| Coverdell Education Savings Account (Education IRAs) Annual Contribution Limit | $2,000 |
| Coverdell Education Savings Account Phaseout | Modified AGI $190,000 to $220,000 (joint)Modified AGI $95,000 to $110,000 (others) |
| $2,500 American Opportunity Tax (HOPE) Credit Phaseout | Modified AGI $160,000 to $180,000 (joint)Modified AGI $80,000 to $90,000 (others) |
| $2,000 Lifetime Learning Credit Phaseout | Modified AGI in excess of $118,000 (joint)Modified AGI in excess of $59,000 (others) |
| Phaseout of $2,500 Interest Deduction on Education Loans | Modified AGI $140,000 to $170,000 (joint)Modified AGI $70,000 to $85,000 (others) |
| 2019–2020 Tuition and Fees Increase at a 4-Year College | Public college: 2.3% in-state student;2.4% out-of-state studentPrivate college: 3.4% |
| 2019–2020 Room and Board Increase at a 4-Year College | Public college: 2.9% in-state student;2.9% out-of-state studentPrivate college: 3% |
| 2019–2020 Total Average Yearly Cost at a 4-Year College | $21,950 public in-state; $38,330 public out-of-state; $49,870 private |

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| **Federal Estate and Gift Tax** |
| Annual Gift Tax Exclusion per Donee | $15,000 |
| Annual Gift Exclusion to Non-U.S.-Citizen Spouse | $157,000 |
| Estate Tax Exemption | $11,580,000 |
| Lifetime Gift Tax Exemption | $11,580,000 |
| Generation-Skipping Transfer Tax Exemption | $11,580,000 |
| Special Use (Section 2032A) Valuation Reduction | $1,180,000 |

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| **Long-Term Care Premium Deductions** |
| Qualified LTC Insurance Deductions: Subject to 10% of AGI Medical Expense Floor |
| **Age** | **Limit** |
| 40 and younger | $430 |
| 41–50 | $810 |
| 51–60 | $1,630 |
| 61–70 | $4,350 |
| 71 and older | $5,430 |

**Please note:** Indemnity policy benefit payments that exceed the higher of the cost of long-term care or $380 per day will be taxed as income.

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| **Medicaid1** |
| Community Spouse Resource Allowance | $25,284 minimum; $126,420 maximum |
| Monthly Maintenance Allowance  | $2,057.50 minimum; $3,160 maximum |
| Home Equity Limit | $585,000 (state can opt to increase to $878,000) |
| “Income Cap” State Income Limit | $2,313 |

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| **Social Security** |
| CPI Increase in Benefits | 1.6% |
| Maximum Monthly Benefit at Full Retirement | $3,011/month |
| Retirement Earnings Exempt Amount Under FRA | $18,240; $1 withheld for every $2 earned more than this amount |
| Retirement Earnings Exempt Amount Year of FRA | $48,600; $1 withheld for every $3 earned more than this amount |

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| **Medicare** |
| Medicare Part A (if applicable)Monthly Premium | $458 for fewer than 30 quarters of coverage $252 for between 30 and 39 quarters of coverage |
| Medicare Part A Deductible and Coinsurance | $1,408 for 1–60 days An additional $352 for 61–90 days$704 for 91–150 days All costs > 150 days |
| Medicare Part A Deductible for Skilled Nursing Facility in a Benefit Period | $176 per day during 21–100 days |
| Medicare Part B Deductible | $198 per year |

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| Medicare Premium |
|  | Individual Filer | Married Filing Jointly |
| Medicare Part B Monthly Premium\*Some Medicare beneficiaries may pay less if certain conditions are met. | $144.60\*$202.40$289.20$376$462.70$491.60 | $0–$87,000 $87,001–$109,000$109,001–$136,000$136,001–$163,000$163,001–$499,999$500,000 and greater | $0–$174,000 $174,001–$218,000$218,001–$272,000$272,001–$326,000$326,001–$749,999$750,000 and greater |
| Medicare Part D Deductible  | The amount paid for Part D deductibles, copayments, and/or coinsurance varies by plan. |
| Medicare Part DMonthly Premium Surcharge  | (no surcharge)$12.20 + plan premium$31.50 + plan premium$50.70 + plan premium$70 + plan premium$76.40 + plan premium | $0–$87,000 $87,001–$109,000 $109,001–$136,000$136,001–$163,000$163,001–$499,999$500,000-and greater | $0–$174,000 $174,001–$218,000 $218,001–$272,000 $272,001–$326,000$326,001–$749,999$750,000 and greater |

**Please note:** Medicare premiums are based on MAGI from two years prior to the current premium year.

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| **Payroll Taxes** |
|  | **Employee** | **Self-Employed** |
| Social Security Tax | 6.2% | 12.4% |
| Social Security Wage Base | $ 137,700 |
| Medicare Tax | 1.45% | 2.9% |
| **Additional Medicare Tax** | **0.9% on Earnings Higher than the Following Thresholds:** |
| Single or Head of Household | $200,000 |
| Married Filing Jointly | $250,000 |
| Married Filing Separately | $125,000 |

1**Please note:** The 2020 Medicaid figures have not yet been released. All numbers are for 2019.

*This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.*

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