

2020 Tax Reference Guide

Federal Income Taxes		
MARRIED FILING JOINTLY & SURVIVING SPOUSES		
Taxable Income		Tax Rate
\$0 – \$19,750		10.0%
\$19,750 – \$80,250		12.0%
\$80,250 – \$171,050		22.0%
\$171,050 – \$326,600		24.0%
\$326,600 – \$414,700		32.0%
\$414,700 – \$622,050		35.0%
Over \$622,050		37.0%
HEAD OF HOUSEHOLD		
Taxable Income		Tax Rate
\$0 – \$14,100		10.0%
\$14,100 – \$53,700		12.0%
\$53,700 – \$85,500		22.0%
\$85,500 – \$163,300		24.0%
\$163,300 – \$207,350		32.0%
\$207,350 – \$518,400		35.0%
Over \$518,400		37.0%
SINGLE FILERS		
Taxable Income		Tax Rate
\$0 – \$9,875		10.0%
\$9,875 – \$40,125		12.0%
\$40,125 – \$85,525		22.0%
\$85,525 – \$163,300		24.0%
\$163,300 – \$207,350		32.0%
\$207,350 – \$518,400		35.0%
Over \$518,400		37.0%
MARRIED FILING SEPARATELY		
Taxable Income		Tax Rate
\$0 – \$9,875		10.0%
\$9,875 – \$40,125		12.0%
\$40,125 – \$85,525		22.0%
\$85,525 – \$163,300		24.0%
\$163,300 – \$207,350		32.0%
\$207,350 – \$311,025		35.0%
Over \$311,025		37.0%
TRUSTS AND ESTATES		
Taxable Income		Tax Rate
\$0 – \$2,600		10.0%
\$2,600 – \$9,450		24.0%
\$9,450 – \$12,950		35.0%
Over \$12,950		37.0%

Standard Deductions		
	2019	2020
Single	\$12,200	\$12,400
Married filing jointly	\$24,400	\$24,800
Married filing separately	\$12,200	\$12,400
Head of household	\$18,350	\$18,650
Personal exemption	\$0	\$0

Capital Gains & Dividends		
CAPITAL GAINS & DIVIDENDS		
Income Tax Bracket:		Rate:
0 - 12%		0%
22% - 35%		15%
		37%
		20%
UNEARNED INCOME MEDICARE CONTRIBUTION TAX		
3.8% surtax applied to lower of Net Investment Income or MAGI over threshold		
Filing Status	MAGI	Rate:
Single / Head of Household	\$200,000+	3.8%
Married Filing Jointly / Separately	\$250,000+ / \$125,000+	3.8%
Trusts & Estates	\$12,500	3.8%

Gift & Estate Tax		
	2019	2020
Annual gift tax exclusion	\$15,000	\$15,000
Unified credit exemption	\$11,400,000	\$11,580,000
Gift to non-citizen spouse	\$155,000	\$157,000
Highest estate tax bracket	40%	40%
States with Separate Estate Tax	CT, DC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA	
States with Inheritance Tax	IA, KY, MD, NE, NJ, PA	
Community Property States	AK*, AZ, CA, ID, LA, NM, NV, TX, WA, WI	
*Opt-in community property state		

Traditional IRA & Roth IRA		
	2019	2020
IRA-ROTH IRA CONTRIBUTION LIMIT		
Contribution limit	\$6,000	\$6,000
50+ Catch-up	\$1,000	\$1,000
TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI		
Participants in employer plans		
Married—Jointly	\$103,000—\$123,000	\$104,000—\$124,000
Married—Separately	\$0-\$10,000	\$0-\$10,000
All others	\$64,000—\$74,000	\$65,000—\$75,000
Nonparticipant married to a participant	\$193,000—\$203,000	\$196,000—\$206,000
Neither spouse a participant	Fully deductible	Fully deductible
ROTH IRA PHASE-OUT BASED ON MAGI		
Married—Jointly	\$193,000—\$203,000	\$196,000—\$206,000
Married—Separately	\$0-\$10,000	\$0-\$10,000
All others	\$122,000—\$137,000	\$124,000—\$139,000

Qualified Plans		
	2019	2020
401k, 403(b), 457(b) salary deferral	\$19,000	\$19,500
50+ Catch-up	\$6,000	\$6,500
SIMPLE salary deferral	\$13,000	\$13,500
50+ Catch-up	\$3,000	\$3,000
Maximum annual additions in a defined contribution plan	\$56,000	\$57,000
Maximum annual benefit in defined benefit plan	\$225,000	\$230,000
Maximum compensation considered	\$280,000	\$285,000
Highly compensated employee	\$125,000	\$130,000
Maximum QLAC	\$130,000	\$135,000
Special catch-up rules applies to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 yrs before retirement.		

Maximum Deduction for Student Loan Interest		
The maximum deduction for student loan interest is \$2,500. The deduction is phased out as follows:		
	2019	2020
Phase-out on single return	\$70,000 – \$85,000	\$70,000 – \$85,000
Phase-out on joint return	\$140,000 – \$170,000	\$140,000 – \$170,000

Education Incentives		
2020		
Phase-Outs for American Opportunity Credit/ Hope Scholarship Credit		
Married Filing Jointly	\$160,000 – \$180,000	
Others	\$80,000 – \$90,000	
Phase-Outs for Lifetime Learning Credits		
Married Filing Jointly	\$118,000 – \$138,000	
Others	\$59,000 – \$69,000	
Phase-Outs for Exclusion of U.S. Savings Bond Income		
Married Filing Jointly	\$123,550 – \$153,550	
Others	\$82,350 – \$97,350	
529 Plan Contributions		
	\$15,000 per year per child	
Accelerate 5 years of gifting into 1 year per individual	\$75,000	
	per couple	\$150,000

Business Income Taxes	
C Corporations	
Taxable Net Income	21% Tax Rate
S Corporations and LLCs	
Taxable K-1 Pass-Through Income	Individual Tax Rates

Qualified Business Income is eligible for a 20% K-1 deduction (i.e. 37% bracket= 29.6% net marginal rate)

*Generally, "Specified Service Businesses" are NOT eligible for a 20% K-1 deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds.

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Social Security		
	2019	2020
TAXABLE WAGE BASE		
Social Security (OASDI)	\$132,900	\$137,700
Medicare (HI only)	No limit	No limit
RETIREMENT EARNING TEST		
Under full retirement age	\$17,640/yr (\$1,470/mo)	\$18,240/yr (\$1,520/mo)
<i>Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit</i>		
Year reaching full retirement age	\$46,920/yr (\$3,910/mo)	\$48,600/yr (\$4,050/mo)
<i>Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit</i>		
TAXABILITY OF BENEFITS (Based on Provisional Income and Filing Status)		
	Individual	Married Filed Jointly
Not taxable	Less than \$25,000	Less than \$32,000
Up to 50% taxable	\$25,000-\$34,000	\$32,000-\$44,000
Up to 85% taxable	Greater than \$34,000	Greater than \$44,000
Married Filed Separately		
Up to 85% of benefits are taxable		
Provisional Income = Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefits		
AGE TO RECEIVE FULL BENEFITS		
Year of Birth	Full Retirement Age	% Reduced at Age 62
1943-1954	66	25.00%
1955	66 & 2 months	25.83%
1956	66 & 4 months	26.67%
1957	66 & 6 months	27.50%
1958	66 & 8 months	28.33%
1959	66 & 10 months	29.17%
1960 & later	67	30.00%
DELAYED RETIREMENT CREDITS		
Year of Birth	Yearly Rate of Increase	
1943 or later	8.0%	
<i>Accrues when you reach full retirement age until you start receiving benefits or reach age 70.</i>		

FICA Tax Rates		
	Self-Employed	Employee
OASDI (Social Security)	12.4%	6.2%
HI (Medicare)	2.9%	1.45%
Additional Medicare Tax*	0.9%	0.9%
<i>* Beginning in 2013, the additional Medicare tax applied to wages and self-employment income above the following thresholds:</i>		
Filing Status:	Wages or Self-Employment Income above the MAGI threshold:	
Married-Jointly	>\$250,000	
Married-Separately	>\$125,000	
Others	>\$200,000	

Single Life "Inherited" Table					
Age	Life Expectancy	Age	Life Expectancy	Age	Life Expectancy
35	48.5	52	32.3	69	17.8
36	47.5	53	31.4	70	17.0
37	46.5	54	30.5	71	16.3
38	45.6	55	29.6	72	15.5
39	44.6	56	28.7	73	14.8
40	43.6	57	27.9	74	14.1
41	42.7	58	27.0	75	13.4
42	41.7	59	26.1	76	12.7
43	40.7	60	25.2	77	12.1
44	39.8	61	24.4	78	11.4
45	38.8	62	23.5	79	10.8
46	37.9	63	22.7	80	10.2
47	37.0	64	21.8	81	9.7
48	36.0	65	21.0	82	9.1
49	35.1	66	20.2	83	8.6
50	34.2	67	19.4	84	8.1
51	33.3	68	18.6	85	7.6

Long Term Care Insurance						
MAX QUALIFIED LTC PREMIUM ELIGIBLE FOR DEDUCTIONS: S Corp Owners - LLC Owners						
Age	40 or less	41-50	51-60	61-70	over 70	
2020	\$430	\$810	\$1,630	\$4,340	\$5,430	
2019	\$420	\$790	\$1,580	\$4,220	\$5,270	
<i>Qualified LTC contract per diem limit: \$380 (\$370 in 2019)</i>						

Uniform Lifetime Table					
Age	Divisor Balance	% Account	Age	Divisor Balance	% Account
70	27.4	3.65	86	14.1	7.09
71	26.5	3.77	87	13.4	7.46
72	25.6	3.91	88	12.7	7.87
73	24.7	4.05	89	12.0	8.33
74	23.8	4.20	90	11.4	8.77
75	22.9	4.37	91	10.8	9.26
76	22.0	4.55	92	10.2	9.80
77	21.2	4.72	93	9.6	10.42
78	20.3	4.93	94	9.1	10.99
79	19.5	5.13	95	8.6	11.63
80	18.7	5.35	96	8.1	12.35
81	17.9	5.59	97	7.6	13.16
82	17.1	5.85	98	7.1	14.08
83	16.3	6.13	99	6.7	14.93
84	15.5	6.45	100	6.3	15.87
85	14.8	6.76	101	5.9	16.95

Health Savings Accounts		
	2019	2020
CONTRIBUTION LIMITS		
Single / Family	\$3,500/ \$7,000	\$3,550/ \$7,100
Age 55+ Catch-up	\$1,000	\$1,000
HIGH DEDUCTIBLE HEALTH PLANS		
Minimum Deductible Single/Family	\$1,350/ \$2,700	\$1,400/ \$2,800
Maximum out of pocket Single/Family	\$6,750/ \$13,500	\$6,900/ \$13,800

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