2020 Tax rate quick guide

WIPFLI

Corporate income tax rate

Flat rate of 21%

Standard mileage rates

Business use of auto	$0.575 per mile
Charitable contribution	$0.14 per mile
Medical	$0.17 per mile
Moving - Military	$0.17 per mile

Standard deductions

Single and married filing separately	$12,400
Married filing jointly or surviving spouse	$24,800
Head of household	$18,650
If married and age 65 or greater or blind, then add	$1,300
If unmarried and age 65 or greater or blind, then add	$1,650

Personal exemption

Repealed through December 31, 2025

Social security earnings limits for retired workers

Retirement age	Earnings limit
Prior to retirement age	$18,240
Year of retirement	$48,600
At or over retirement age	None

Self-employment tax

Tax rate for self-employment income is
15.3% on first $137,700 and 2.9% thereafter.

Gift, estate, and trust tax rates

Taxable income is over	But not over	The tax is	+	Of the amount over
-	$2,600	10%	-	-
$2,600	$9,450	$260.00	24%	$2,600
$9,450	$12,950	$1,904.00	35%	$9,450
$12,950	-	$3,129.00	37%	$12,950

Applicable exclusion amount for estate, gift, and generation-skipping transfer (GST) tax	$11,580,000
Maximum estate, gift, and GST tax rate	40%
Gift tax annual exclusion	$15,000

Portability [Deceased Spouse Unused Exemption (DSUE)] and Step-Up/-Down Basis to Date of Death Value Apply

Single filing

Taxable income is over	But not over	The tax is	+	Of the amount over
-	$9,875	10%	-	-
$9,875	$40,125	$987.50	12%	$9,875
$40,125	$85,525	$4,617.50	22%	$40,125
$85,525	$163,300	$14,605.50	24%	$85,525
$163,300	$207,350	$33,271.50	32%	$163,300
$207,350	$518,400	$47,367.50	35%	$207,350
$518,400	-	$156,235.00	37%	$518,400

Married filing jointly or surviving spouse

Taxable income is over	But not over	The tax is	+	Of the amount over
-	$19,750	10%	-	-
$19,750	$80,250	$1,975.00	12%	$19,750
$80,250	$171,050	$9,235.00	22%	$80,250
$171,050	$326,600	$29,211.00	24%	$171,050
$326,600	$414,700	$66,543.00	32%	$326,600
$414,700	$622,050	$94,735.00	35%	$414,700
$622,050	-	$167,307.50	37%	$622,050

Married filing separately

Taxable income is over	But not over	The tax is	+	Of the amount over
-	$9,875	10%	-	-
$9,875	$40,125	$987.50	12%	$9,875
$40,125	$85,525	$4,617.50	22%	$40,125
$85,525	$163,300	$14,605.50	24%	$85,525
$162,300	$207,350	$33,271.50	32%	$163,300
$207,350	$311,025	$47,367.50	35%	$207,350
$311,025	-	$83,653.75	37%	$311,025

Head of household

Taxable income is over	But not over	The tax is	+	Of the amount over
-	$14,100	10%	-	-
$14,100	$53,700	$1,410.00	12%	$14,100
$53,700	$85,500	$6,162.00	22%	$53,700
$85,500	$163,300	$13,158.00	24%	$85,500
$163,300	$207,350	$31,830.00	32%	$163,300
$207,350	$518,400	$45,926.00	35%	$207,350
$518,400	-	$154,793.50	37%	$518,400

Top individual rates in selected states

California	13.3%	Minnesota	9.85%
Colorado	4.63%	Montana	6.9%
Georgia	5.75%	New Hampshire	5%
Idaho	6.925%	Utah	4.95%
Illinois	4.95%	Virginia	5.75%
Maine	7.15%	Wisconsin	7.65%

Maximum rate applicable to noncorporate net capital gain and qualified dividends

Capital asset	Holding period	Tax rate	Filing status	Below taxable income threshold
Short-term capital gains	One year or less	Ordinary income tax rates	-	-
Long-term capital gains	More than one year	0%	MFJ or surviving spouse	$80,000
			Head of household	$53,600
			Single or MFS	$40,000
			Estate and trust	$2,650
Long-term capital gains	More than one year	15%	MFJ or surviving spouse	$496,600
			Head of household	$469,050
			Single	$441,450
			MFS	$248,300
			Estate and trust	$13,150
Long-term capital gains	More than one year	20%	Greater than 15% thresholds	
1250 recapture	More than one year	25%	If taxpayer is in a lower tax bracket, the lower rate applies	-
Collectible	More than one year	28%	If taxpayer is in a lower tax bracket, the lower rate applies	-
1202 small business stock-acquired after 9/27/10	More than five years	0%	-	-

3.8% Medicare tax on net investment income

Tax imposed on lesser of "net investment income" or MAGI > $250,000 (MFJ), $125,000 (MFS), or $200,000 (Single)

Medicare tax on high-income earners
Additional 0.9% tax on wages greater than:

Single or head of household	$200,000
Married filing jointly or surviving spouse	$250,000
Married filing separately	$125,000

Retirement plan limits

Deferral limits for plans	
§401(k), 403(b), and 457 plans	$19,500
SIMPLE	$13,500
Catch-up contributions for participants age 50 or older	
Other than SIMPLE plans	$6,500
SIMPLE plans	$3,000
Other limitations and thresholds	
Qualified plans — annual compensation limit	$285,000
Defined benefit — maximum annual benefit	$230,000
Defined contribution — maximum annual addition	$57,000
"Key employee" in top-heavy plan	$185,000
"Highly compensated employee" threshold	$130,000
SEP compensation threshold for participation	$600

Individual retirement accounts

Traditional IRAs and Roth IRAs	
Contribution limit	$6,000
Catch-up contribution (age 50 or older)	$1,000
Phaseout rules based on MAGI ranges	
Traditional IRA deductions phaseout	
Single, head of household — Active participant	$65,000 - $75,000
Married filing separately — Any spouse participates	$0 - $10,000
Married filing jointly — Nonparticipating spouse	$196,000 - $206,000
Married filing jointly — Participating spouse	$104,000 - $124,000
Roth IRA contribution eligibility	
Married filing jointly	$196,000 - $206,000
Single, head of household	$124,000 - $139,000
Married filing separately — Any spouse participates	$0 - $10,000

Health savings account

Plan minimum deductible (self/family)	$1,400/$2,800
Contribution maximum (self/family)	$3,550/$7,100
Catch-up contribution (age 55 or older)	$1,000
Plan out-of-pocket limit (self/family)	$6,900/$13,800

In the year a participant enrolls in Medicare or changes to a plan that is not HSA eligible, contribution is prorated based on the number of months the participant has qualifying coverage prior to the month of Medicare enrollment.