

Individual Income Tax Planning

Adoption credit

Adoption credit	2020	2021
Maximum credit	\$14,300	\$14,440
Phaseout threshold amount	\$214,520	\$216,660
Completed phaseout amount after	\$254,520	\$256,660

Alternative Minimum Tax (AMT)

Maximum AMT exemption amount	2020	2021
Married filing jointly or surviving spouse	\$113,400	\$114,600
Single or head of household	\$72,900	\$73,600
Married filing separately	\$56,700	\$57,300

AMT income exemption phaseout threshold	2020	2021
Married filing jointly or surviving spouse	\$1,036,800	\$1,047,200
Single or head of household	\$518,400	\$523,600
Married filing separately	\$518,400	\$523,600

AMT tax rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)	2020	2021
All taxpayers except married filing separately	\$197,900	\$199,900
Married filing separately	\$98,950	\$99,950

Charitable deductions

Use of auto	2020	2021
Deductible standard mileage rate	\$0.14	\$0.14

Charitable fundraising "insubstantial benefit" limitation	2020	2021
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Low-cost article (re: unrelated business income)	\$11.20	\$11.30
Gifts to donor in return for contribution	2020	2021
Token gift maximum cost ¹	\$11.20	\$11.30
Minimum contribution amount ¹	\$56	\$56.50
2% threshold amount ²	\$112	\$113

¹ Contribution is fully deductible if minimum contribution amount is met and cost of token gift does not exceed maximum

² Charitable contribution is fully deductible if the benefit received by the donor doesn't exceed the lesser of the threshold amount or 2% of the amount of the contribution

Child tax credit

Amount of credit	2020	2021
Maximum credit per qualifying child	\$2,000	\$2,000
Nonrefundable credit for dependents who are not qualifying children	\$500	\$500
Phaseout -- credit reduced by \$50 for each \$1,000 or fraction thereof of MAGI over:	2020	2021
Single	\$200,000	\$200,000
Married Filing Jointly	\$400,000	\$400,000
Married Filing Separately	\$200,000	\$200,000
Refundability -- up to specified percentage of earned income in excess of specified amount	2020	2021
Percentage	15%	15%
Amount	\$2,500	\$2,500
Maximum refundable amount of credit	\$1,400	\$1,400

Classroom expenses of elementary and secondary school teachers

Classroom expense deduction	2020	2021
Maximum above-the-line deduction	\$250	\$250

Earned income tax credit (EITC)

Investment income limit	2020	2021
Excessive investment income limit ("disqualified income limit")	\$3,650	\$3,650
Maximum amount of EITC per number of children	2020	2021
0 children	\$538	\$543
1 child	\$3,584	\$3,618
2 children	\$5,920	\$5,980
3 or more children	\$6,660	\$6,728
Maximum amount of earned income on which EITC is based (earned income over this amount but under the threshold phaseout amount will not change the amount of the credit received)	2020	2021
0 children	\$7,030	\$7,100
1 child	\$10,540	\$10,640
2 or more children	\$14,800	\$14,950
Threshold phaseout amount for joint filers per number of children	2020	2021
0 children	\$14,680	\$14,820
1 child	\$25,220	\$25,470
2 children	\$25,220	\$25,470
3 or more children	\$25,220	\$25,470
Threshold phaseout amount for other filers per number of children	2020	2021
0 children	\$8,790	\$8,880
1 child	\$19,330	\$19,520
2 children	\$19,330	\$19,520
3 or more children	\$19,330	\$19,520

Completed phaseout amount for joint filers per number of children	2020	2021
0 children	\$21,710	\$21,920
1 child	\$47,646	\$48,108
2 children	\$53,330	\$53,865
3 or more children	\$56,844	\$57,414
Completed phaseout amount for other filers per number of children	2020	2021
0 children	\$15,820	\$15,980
1 child	\$41,756	\$42,158
2 children	\$47,440	\$47,915
3 or more children	\$50,954	\$51,464

Expatriation

Covered expatriate	2020	2021
An individual with "average annual net income tax" of more than this amount for the five taxable years ending before his or her loss of citizenship is a covered expatriate for the purposes of IRC §877A(g)(1)	\$171,000	\$172,000
IRC §877A(3) exclusion amount	\$737,000	\$744,000

Foreign earned income

Amount excluded from income	2020	2021
Exclusion amount	\$107,600	\$108,700

Itemized deductions

Phaseout threshold	2020	2021
Married filing jointly	N/A	N/A
Head of household	N/A	N/A
Unmarried	N/A	N/A

Married filing separately	N/A	N/A
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Kiddie tax

Unearned income limit		2020	2021
Amount exempt from tax		\$1,100	\$1,100
Additional amount taxed at child's rate		\$1,100	\$1,100
Unearned income over this amount generally taxed at parents' tax rates ¹		\$2,200	\$2,200
Parent's election		2020	2021
Election to include child's income on parent's return -- child's gross income requirement		\$1,100 - \$11,000	\$1,100 - \$11,000
AMT	2020	2021	
AMT exemption for child subject to kiddie tax	Lesser of \$7,900 + child's earned income or \$72,900	Lesser of \$7,950 + child's earned income or \$73,600	

¹ Taxed at parents' tax rates in 2020 and 2021. In 2019, taxed at trust and estate income tax rates (special rules apply to alternative minimum tax purposes) but retroactive election may be made to tax at parents' tax rates.

Medicare tax (additional payroll tax and unearned income contribution tax)

Payroll tax		2020	2021
Additional Medicare payroll tax (and self-employment tax) percentage rate		0.90%	0.90%
Applies to wages/self-employment income exceeding		2020	2021
Individuals		\$200,000	\$200,000
Married filing jointly		\$250,000	\$250,000
Married filing separately		\$125,000	\$125,000
Tax on unearned income		2020	2021
Unearned income Medicare contribution tax rate		3.80%	3.80%
Applies to lesser of (a) net investment income or (b) modified adjusted gross income exceeding		2020	2021
Individuals		\$200,000	\$200,000

Married filing jointly	\$250,000	\$250,000
Married filing separately	\$125,000	\$125,000

Nanny tax

Compensation threshold	2020	2021
Domestic employee coverage threshold	\$2,200	\$2,300

Personal exemption amount

Amount	2020	2021
Personal exemption amount	N/A	N/A
Married filing jointly	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A
Head of household	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A
Unmarried	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A
Married filing separately	2020	2021
Phaseout threshold amount	N/A	N/A
Completed phaseout amount after	N/A	N/A

"Saver's Credit"

Elective Deferrals and IRA or ABLE Contributions by Certain Individuals	2020	2021
Maximum credit amount	\$1,000	\$1,000

Applicable percentage of 50% applies to AGI	2020	2021
Joint Return	\$0 - \$39,000	\$0 - \$39,500
Head of Household	\$0 - \$29,250	\$0 - \$29,625
Other	\$0 - \$19,500	\$0 - \$19,750
Applicable percentage of 20% applies to AGI	2020	2021
Joint Return	\$39,001 - \$42,500	\$39,501 - \$43,000
Head of Household	\$29,251 - \$31,875	\$29,626 - \$32,250
Other	\$19,501 - \$21,250	\$19,751 - \$21,500
Applicable percentage of 10% applies to AGI	2020	2021
Joint Return	\$42,501 - \$65,000	\$43,001 - \$66,000
Head of Household	\$31,876 - \$48,750	\$32,251 - \$49,500
Other	\$21,251 - \$32,500	\$21,501 - \$33,000
Applicable percentage of 0% applies to AGI	2020	2021
Joint Return	Over \$65,000	Over \$66,000
Head of Household	Over \$48,750	Over \$49,500
Other	Over \$32,500	Over \$33,000

Standard deductions

Amounts	2020	2021
Married filing jointly or surviving spouse	\$24,800	\$25,100
Head of household	\$18,650	\$18,800
Unmarried	\$12,400	\$12,550
Married filing separately	\$12,400	\$12,550

Dependent--Standard deduction cannot exceed the greater of:	\$1,100 or \$350 + earned income	\$1,100 or \$350 + earned income
Additional deduction for aged or blind (single or head of household)	\$1,650	\$1,700
Additional deduction for aged or blind (all other filing statuses)	\$1,300	\$1,350

Standard mileage rates

Applicable rates	2020	2021
Use of auto for business purposes (cents per mile)	\$0.575	TBD
Use of auto for medical purposes (cents per mile)	\$0.17	TBD
Use of auto for moving purposes (cents per mile)	\$0.17	TBD

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