

# 2019 / 2020 Tax Update

D.A. Davidson & Co. member SIPC

2019				INCOME TAXES				2020				UNIFORM LIFETIME TABLE	
IF TAXABLE INCOME IS: OVER BUT NOT >		THE TAX IS:		OF THE AMOUNT >		IF TAXABLE INCOME IS: OVER BUT NOT >		THE TAX IS:		OF THE AMOUNT >		For calculating Required Minimum Distributions from Qualified Plans and Traditional IRAs.	
												CURRENT AGE	DISTRIB. PERIOD
<b>MARRIED FILING JOINTLY:</b>	\$0	\$19,400	\$0 + 10%	\$0	<b>MARRIED FILING JOINTLY:</b>	\$0	\$19,750	\$0 + 10%	\$0				
	19,400	78,950	1,940 + 12%	19,400		19,750	80,250	1,975 + 12%	19,750				
	78,950	168,400	9,086 + 22%	78,950		80,250	171,050	9,235 + 22%	80,250				
	168,400	321,450	28,765 + 24%	168,400		171,050	326,600	29,211 + 24%	171,050			70	27.4
	321,450	408,200	65,497 + 32%	321,450		326,600	414,700	66,543 + 32%	326,600			71	26.5
	408,200	612,350	93,257 + 35%	408,200		414,700	622,050	94,735 + 35%	414,700			72	25.6
	612,350	-----	164,709.50 + 37%	612,350		622,050	-----	167,307.50 + 37%	622,050			73	24.7
<b>SINGLE:</b>	\$0	\$9,700	\$0 + 10%	\$0	<b>SINGLE:</b>	\$0	\$9,875	\$0 + 10%	\$0			74	23.8
	9,700	39,475	970 + 12%	9,700		9,875	40,125	987.50 + 12%	9,875			75	22.9
	39,475	84,200	4,543 + 22%	39,475		40,125	85,525	4,617.50 + 22%	40,125			76	22.0
	84,200	160,725	14,382.50 + 24%	84,200		85,525	163,300	14,605.50 + 24%	85,525			77	21.2
	160,725	204,100	32,748.50 + 32%	160,725		163,300	207,350	33,271.50 + 32%	163,300			78	20.3
	204,100	510,300	46,628.50 + 35%	204,100		207,350	518,400	47,367.50 + 35%	207,350			79	19.5
	510,300	-----	\$153,798.50 + 37%	510,300		518,400	-----	\$156,235 + 37%	518,400			80	18.7
<b>ESTATES &amp; TRUSTS:</b>	\$0	\$2,600	\$0 + 10%	\$0	<b>ESTATES &amp; TRUSTS:</b>	\$0	\$2,600	\$0 + 10%	\$0			81	17.9
	2,600	9,300	260 + 24%	2,600		2,600	9,450	260 + 24%	2,600			82	17.1
	9,300	12,750	1,868 + 35%	9,300		9,450	12,950	1,904 + 35%	9,450			83	16.3
	12,750	-----	3,075.50 + 37%	12,750		12,950	-----	3,129 + 37%	12,950			84	15.5
												85	14.8
												86	14.1
												87	13.4
												88	12.7
												89	12.0
												90	11.4
												91	10.8
												92	10.2
												93	9.6
												94	9.1
												95	8.6
												96	8.1
												97	7.6
												98	7.1
												99	6.7
												100	6.3
												101	5.9
												102	5.5
												103	5.2
												104	4.9
												105	4.5
												106	4.2
												107	3.9
												108	3.7
												109	3.4
												110	3.1
												111	2.9
												112	2.6
												113	2.4
												114	2.1
												115 & older	1.9

## CORPORATIONS 2019 / 2020

Corporate Income is taxed at 21%. The corporate alternative minimum tax is discontinued from 2018 on.

### CAPITAL GAINS TAX - FOR 2018 ON:

Under the Tax Cuts and Jobs Act 2018, the three capital gains income thresholds don't match up perfectly with the tax brackets. Instead, they are applied to maximum taxable income levels, as follows for 2019 / 2020 on:

LONG-TERM CAPITAL GAINS RATE	SINGLE TAXPAYERS 2019 / 2020	MARRIED FILING JOINTLY 2019 / 2020
0%	Up to \$39,375 / \$40,000	Up to \$78,750 / \$80,000
15%	\$39,375-\$434,550 / \$40,000-\$441,450	\$78,750-\$488,850 / \$80,000-\$496,600
20%	Over \$434,550/\$441,450	Over \$488,850 / \$496,600

Data Source: Tax Cuts and Jobs Act.

Additional 3.8% Medicare tax on investment income, dividends and capital gains on those with AGI greater than \$200,000 single and \$250,000 married jointly under Patient Protection and Affordable Act.

**KIDDIE TAX:** (Under age 19 or under age 24 full-time student with unearned income)

	2019	2020
<b>FIRST</b>	\$1,100	\$1,100
<b>NEXT</b>	\$1,100	\$1,100
<b>AMOUNTS OVER</b>	\$2,200	\$2,200
		No tax
		10% rate (Parent's rate)

### CHILD TAX CREDIT:

\$2,000 / child under age 17 in 2019 / 2020; phases out \$50 for each \$1,000 of AGI over \$400,000 (married filing jointly) or \$200,000 (single). May be eligible for "additional tax credit" on earned income in excess of \$2,500. Non-child dependents \$500 is available. \$1,400 refundable credit.

### STANDARD DEDUCTIONS:

	ANNUAL	ADD'L AGE 65 OR OLDER, OR BLIND
<b>MARRIED FILING JOINTLY</b>	2019 \$24,400	\$1,300
	2020 \$24,800	\$1,300
<b>SINGLE</b>	2019 \$12,200	\$1,650
	2020 \$12,400	\$1,650

For 2019 / 2020 on AGI phase-outs for deductions are repealed.

### ESTATE & GIFT TAXES:

EXEMPTION	EXEMPTION
2019 \$11,400,000	2020 \$11,580,000

Both years adjusted for inflation and portability of exemption not used can go to surviving spouse.

Annual Gift Tax Exclusion: \$15,000 in 2019 / 2020  
GST Tax Exemption (pegged to estate tax exemption):  
\$11,400,000 / \$11,580,000 (40% rate) - 2019 / 2020

### 2019 / 2020 STATE AND LOCAL TAX DEDUCTIONS

Individuals can deduct no more than \$10,000 worth of deductions which includes a combination of property taxes and either a sales tax or state income tax.

2019 / 2020 MORTGAGE INTEREST (Acquisition indebtedness) is capped at loans of \$750,000 started 1/1/2018.

Home equity loans for other than home purchase, remodel, etc. no longer deductible (cars, vacations, etc.).

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