

Estate Tax Rates

Year	Estate Exemption	% on Excess Over Base
2019	\$11,400,000	40%
2020	\$11,580,000	40%

Gift Tax

	2019	2020
Gifts per person	\$15,000	\$15,000
Joint gifts by spouses	\$30,000	\$30,000
Gift/Estate Exemption	\$11,400,000	\$11,580,000
Max Tax Rate on Taxable Gifts	40%	40%

Health Savings Accounts

	2019	2019	2020	2020
	Single	Family	Single	Family
Max Deduct./Contribution	\$3,500	\$7,000	\$3,550	\$7,100
Age 55-64 Catch-Up Contr.	\$1,000	\$1,000	\$1,000	\$1,000
Minimum Policy Deductible	\$1,350	\$2,700	\$1,400	\$2,800

Tax Credits

	2019/2020
Child Tax Credit under age 17, subject to phaseouts 2019 & 2020 above \$400,000 (joint) and above \$200,000 (single)	\$2,000/child
Qualifying Dependent Credit	\$500
The American Opportunity Credit*	\$2,500
The Lifetime Learning Credit** for each additional year of post-secondary education	\$2,000

*2019 & 2020 subject to phaseouts between \$160,000-\$180,000 (joint) and \$80,000-\$90,000 (single).

** 2019 subject to phaseouts between \$116,000-\$136,000 (joint) and \$58,000-\$68,000 (single). 2020 subject to phaseouts between \$118,000-\$138,000 (joint) and \$59,000-\$69,000 (single).

Equipment Depreciation

	2019	2020
Section 179 Limit	\$1,020,000	\$1,040,000
Bonus Depreciation	100%	100%

Retirement Plan Contribution Limits

INDIVIDUAL & EMPLOYER PLAN LIMITATIONS

	2019	2020
Individual 401(k) Contributions	\$19,000	\$19,500
Age 50+ Catch-up	\$6,000	\$6,500
Individual SIMPLE Contributions	\$13,000	\$13,500
Age 50+ Catch-up	\$3,000	\$3,000
Employer Qualified Plans	2019	2020
Maximum compensation limited to	\$280,000	\$285,000
Annual contribution limit for defined contribution plans	\$56,000	\$57,000

IRAs

2020 Regular IRA

Not a Participant in Another Plan

\$6,000 maximum deductible contribution; taxable distribution; deduction for participant and for non-working spouse.

Active Participant in Another Plan

\$6,000 maximum deductible contribution; taxable distributions; subject to phaseouts between \$104,000-\$124,000 (joint) and \$65,000-\$75,000 (single).

Non-Active Participant Whose Spouse is Active Participant

\$6,000 maximum deductible contribution; taxable distributions; subject to phaseouts between and \$196,000-\$206,000 (joint).

Age 50 + Catch-up

\$1,000 deductible contribution.

2020 Roth IRA

\$6,000 maximum nondeductible contribution; nontaxable distributions; subject to phaseouts between \$196,000-\$206,000 (joint) and \$124,000-\$139,000 (single).

Age 50 + Catch-up

\$1,000 nondeductible contribution.

ESTIMATED TAX PAYMENTS

- ♦ Taxpayers are generally required to pay in through withholding or estimated tax payments the lesser of 100% (or 110% if AGI > \$150,000) of prior-year tax liability or 90% of current-year tax liability.
- ♦ 2020 estimated tax payments for individuals are due by:
April 15 • June 15 • September 15 • January 15, 2021

This publication reflects tax laws in effect as of 11/21/19. Due to the concise nature of this publication, no final conclusions should be drawn without further review and consultation with a professional.

2019 2020

Tax Guide

*Friends
for Life*



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2019 Individual Income Tax Rates

MARRIED TAXPAYERS

FILING JOINTLY OR SURVIVING SPOUSES

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 19,400	\$ 1,940	12%
\$ 78,950	\$ 9,086	22%
\$ 168,400	\$ 28,765	24%
\$ 321,450	\$ 65,497	32%
\$ 408,200	\$ 93,257	35%
\$ 612,350	\$ 164,710	37%

SINGLE

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 9,700	\$ 970	12%
\$ 39,475	\$ 4,543	22%
\$ 84,200	\$ 14,383	24%
\$ 160,725	\$ 32,749	32%
\$ 204,100	\$ 46,629	35%
\$ 510,300	\$ 153,799	37%

HEAD OF HOUSEHOLD

Base Taxable Income	Tax on Base	% on Excess Over Base
\$ 0	\$ 0	10%
\$ 13,850	\$ 1,385	12%
\$ 52,850	\$ 6,065	22%
\$ 84,200	\$ 12,962	24%
\$ 160,700	\$ 31,322	32%
\$ 204,100	\$ 45,210	35%
\$ 510,300	\$ 152,380	37%

Also note: These income tax brackets are annually indexed to inflation. Taxable income is income after all deductions.

ADDITIONAL SURTAXES

(1) Taxpayers with AGI over \$250,000 (joint) and \$200,000 (single) are subject to an additional 3.8% surtax on lesser of: (1) Net Investment Income (interest, dividends, capital gains, rentals and passive income) or (2) excess of net investment income over AGI floor.

(2) Taxpayers who earn more than \$250,000 (joint) and \$200,000 (single) are subject to an additional .9% surtax on wages or self employment income above these thresholds.

2020 CAPITAL GAINS TAX RATES

Long-term capital gains	0% Tax Rate	15% Tax Rate	20% Tax Rate
Married filing jointly	\$80,000	\$496,600	\$496,600+
Head of Household	\$53,600	\$469,050	\$469,050+
Single	\$40,000	\$441,450	\$441,450+

Special rates apply to real estate depreciation recapture, collectibles and metals.

Individuals

STANDARD DEDUCTION *

	2019	2020
Married filing jointly	\$ 24,400	\$ 24,800
Single	\$ 12,200	\$ 12,400
Head of household	\$ 18,350	\$ 18,650
Married filing separately	\$ 12,200	\$ 12,400
Additional - blind or elderly		
Single	\$ 1,650	\$ 1,650
Married	\$ 1,300	\$ 1,300
Taxpayer claimed as dependent is the greater of or earned income plus \$350	\$ 1,100	\$ 1,100

* Generally deduct the greater of standard or itemized deductions.

PERSONAL EXEMPTIONS

	2019	2020
Deduction for each taxpayer, spouse and dependent	\$ 0	\$ 0

Social Security

TAXES

Employer/ Employee	Tax Rate	Wage Base 2019	Wage Base 2020
FICA	6.20%	\$132,900	\$137,700
Medicare	1.45%	no limit	no limit
Total	7.65%		

Self Employed	Tax Rate	Wage Base 2019	Wage Base 2020
FICA	12.40%	\$132,900	\$137,700
Medicare	2.90%	no limit	no limit
Total	15.30%		

Qualified Business Income Deduction

QBI

QBI Deduction 2019 & 2020 - 20%

2019- subject to limitations over \$321,400 (joint) & \$160,700 (single)

2020- subject to limitations over \$326,600 (joint) & \$163,300 (single)

Corporate Income Tax

Flat Tax Rate	21%
Personal Service Corporations	21%
Capital Gains Tax Rate	same as regular tax rate

Business Expenses

Business Travel Meals

Per Diem Rates For Meals- Oct. 1, 2019-Sept. 30, 2020

Low Cost Areas	\$ 60/day
High Cost Areas	\$ 71/day

Standard Mileage Rates

Use	2019	2020
Business	\$.58 /mile	\$.575 /mile
Charitable	\$.14 /mile	\$.14 /mile
Medical & Moving	\$.20 /mile	\$.17 /mile

BENEFITS

Maximum Annual Earned Income Limit	2019	2020
Ages 62 up to full retirement age	\$17,640	\$18,240
Upon reaching full retirement age	No limit	No limit

TAXABLE BENEFITS

Part of social security received is taxable if AGI, plus tax-exempt interest, plus half of social security received exceeds these base amounts:

	50% Taxable	85% Taxable
Married filing jointly	\$32,001 - 44,000	\$ 44,001+
Single/Head of house	\$25,001 - 34,000	\$ 34,001+
Married filing separately	\$ 0	\$ 0