

## Tax Rates

### 2021 Individual Tax Rates

| Unmarried Individuals (other than surviving spouses and heads of households) |  |
|--|--|
| Taxable Income   | 2021 Tax   |
| Not over \$9,950   | 10% of taxable income                              |
| Over \$9,950 but not over \$40,525   | \$995 plus 12% of the amount over \$9,950          |
| Over \$40,525 but not over \$86,375  | \$4,664 plus 22% of the amount over \$40,525       |
| Over \$86,375 but not over \$164,925   | \$14,751 plus 24% of the amount over \$86,375      |
| Over \$164,925 but not over \$209,425  | \$33,603 plus 32% of the amount over \$164,925     |
| Over \$209,425 not over \$523,600  | \$47,843 plus 35% of the amount over \$209,425     |
| Over \$523,600   | \$157,804.25 plus 37% of the amount over \$523,600 |
| Married Individuals Filing Joint Returns, & Surviving Spouses                |  |
| Taxable Income   | 2021 Tax   |
| Not over \$19,900  | 10% of taxable income                              |
| Over \$19,900 but not over \$81,050  | \$1,990 plus 12% of the amount over \$19,900       |
| Over \$81,050 but not over \$172,750   | \$9,328 plus 22% of the amount over \$81,050       |
| Over \$172,750 but not over \$329,850  | \$29,502 plus 24% of the amount over \$172,750     |
| Over \$329,850 but not over \$418,850  | \$67,206 plus 32% of the amount over \$329,850     |
| Over \$418,850 but not over \$628,300  | \$95,686 plus 35% of the amount over \$418,850     |
| Over \$628,300   | \$168,993.50 plus 37% of the amount over \$628,300 |
| Heads of Households  |  |
| Taxable Income   | 2021 Tax   |
| Not over \$14,200  | 10% of taxable income                              |
| Over \$14,200 but not over \$54,200  | \$1,420 plus 12% of the amount over \$14,200       |
| Over \$54,200 but not over \$86,350  | \$6,220 plus 22% of the amount over \$54,200       |
| Over \$86,350 but not over \$164,900   | \$13,293 plus 24% of the amount over \$86,350      |
| Over \$164,900 but not over \$209,400  | \$32,145 plus 32% of the amount over \$164,900     |
| Over \$209,400 not over \$523,600  | \$46,385 plus 35% of the amount over \$209,400     |
| Over \$523,600   | \$156,355 plus 37% of the amount over \$523,600    |

| Married Individuals Filing Separate Returns |   |
|---|---|
| Taxable Income                              | 2021 Tax  |
| Not over \$9,950                            | 10% of taxable income                             |
| Over \$9,950 but not over \$40,525          | \$995 plus 12% of the amount over \$9,950         |
| Over \$40,525 but not over \$86,375         | \$4,664 plus 22% of the amount over \$40,525      |
| Over \$86,375 but not over \$164,925        | \$14,751 plus 24% of the amount over \$86,375     |
| Over \$164,925 but not over \$209,425       | \$33,603 plus 32% of the amount over \$164,925    |
| Over \$209,425 not over \$314,150           | \$47,843 plus 35% of the amount over \$209,425    |
| Over \$314,150                              | \$84,496.75 plus 37% of the amount over \$314,150 |

### 2021 C Corporation Tax Rates

| Taxable Income       | 2021 Tax |
|----------------------|----------|
| Any Amount of Income | 21%      |

### 2021 Estates & Trusts Tax Rates

| Taxable Income                     | 2021 Tax                                     |
|------------------------------------|--|
| Not over \$2,650                   | 10% of the taxable income                    |
| Over \$2,650 but not over \$9,550  | \$265 plus 24% of the excess over \$2,650    |
| Over \$9,550 but not over \$13,050 | \$1,921 plus 35% of excess over \$9,550      |
| Over \$13,050                      | \$3,146 plus 37% of the excess over \$13,050 |

### Social Security & Medicare

|                                 | Self-Employed   | Employee  |
|---------------------------------|---|-----------|
| SS Tax Rate                     | 12.4%   | 6.2%      |
| Max Wages Subject to SS         | \$154,629*  | \$142,800 |
| Med. Tax Rate                   | 2.9%  | 1.45%     |
| Additional Medicare Tax of 0.9% | Married Filing Joint – MAGI > \$250,000<br>Married Filing Separate – > \$125,000<br>Others – > \$200,00 |           |

\*The reason for the higher number is that only 92.35% of your net profits are taxed at 12.4%, and the \$142,800 threshold is after application of the 92.35%.

## 2021 Capital Gain Rates

| Capital Asset   | Holding Period        | Tax Rate   |
|---|-----------------------|--|
| Short-term capital gains.   | One year or less.     | Ordinary income tax rates, up to 37%.  |
| Long-term capital gains.  | More than one year.   | Taxpayers with income below the 15% rate threshold below, pay 0%. The following are the income thresholds for 15% and 20% rates. |
|   |                       | <u>Married Filing Jointly:</u><br><b>15% Rate</b> - \$80,801 - \$501,600<br><b>20% Rate</b> - over \$501,600                     |
|   |                       | <u>Married Filing Separately:</u><br><b>15% Rate</b> - \$40,401 - \$250,800<br><b>20% Rate</b> - over \$250,800                  |
|   |                       | <u>Head of Household:</u><br><b>15% Rate</b> - \$54,101 - \$473,750<br><b>20% Rate</b> - over \$473,750                          |
|   |                       | <u>Unmarried Individuals:</u><br><b>15% Rate</b> - \$40,401 - \$445,850<br><b>20% Rate</b> - over \$445,850                      |
| Collectibles.   | More than one year.   | 28%.   |
| Section 1202 qualified small business stock.  | More than five years. | 28%.   |
| Unrecaptured §1250 Gain, (gains on real property attributable to straight-line depreciation). | More than one year.   | 25%.   |

## Vehicles

### 2021 Standard Mileage Rates

| IRS Mileage Rate (in cents per mile) |      |
|--------------------------------------|------|
| Business                             | 56.0 |
| Charitable                           | 14.0 |
| Medical & Moving                     | 16.0 |
| Depreciation                         | 26.0 |

## Personal Deductions

### 2021 Standard Deduction

| Filing Status  | Standard Deduction  |
|--|---|
| Unmarried Individuals  | \$12,550  |
| Married Individuals Filing Separate Returns                  | \$12,550  |
| Heads of Households  | \$18,800  |
| Married Individuals Filing Joint Returns & Surviving Spouses | \$25,100  |
| Dependents   | \$12,550  |
| Additional Amount for Aged & Blind                           | Married Filing Jointly - \$1,350<br>Single or Head of Household - \$1,700 |

## 2021 Personal Exemptions

|                |                      |
|----------------|----------------------|
| Per Individual | No Longer Applicable |
|----------------|----------------------|

### DEPRECIATION LIMITS FOR PASSENGER VEHICLES PLACED IN SERVICE IN 2021

|                      | With Bonus Depreciation | No Bonus Depreciation |
|----------------------|-------------------------|-----------------------|
| Tax Year             | Amount                  | Amount                |
| 1st Tax Year         | \$18,200                | \$10,200              |
| 2nd Tax Year         | \$16,400                | \$16,400              |
| 3rd Tax Year         | \$9,800                 | \$9,800               |
| Each Succeeding Year | \$5,860                 | \$5,860               |

## Retirement Plans 2021

|  |                           |  |
|--|---------------------------|--|
| IRA contribution (under age 50)                |                           | \$6,000  |
| IRA contribution (50 and older)                |                           | \$7,000  |
| IRA deductibility phase-out (based on MAGI)    |                           |  |
| Participants in employer plans                 |                           |  |
| Single or Head of Household                    |                           | \$66,000 - \$76,000  |
| Married, filing jointly                        |                           | \$105,000 - \$125,000  |
| Married, filing separately                     |                           | \$0 – \$10,000   |
| Nonparticipants in employer plans              |                           |  |
| Nonparticipant married to a participant        |                           | \$198,000 - \$208,000  |
| Neither spouse a participant                   |                           | Fully deductible   |
| Phase out of Roth IRA contribution eligibility |                           |  |
| Single   |                           | \$125,000 - \$140,000  |
| Married, filing jointly                        |                           | \$198,000 - \$208,000  |
| Retirement Plan                                | Max Employee Contribution | Max Employer Contribution  |
| SEP  | N/A                       | 25% of wages or 20% of net self-employment income, max of \$58,000 |
| SIMPLE IRA                                     | \$13,500*                 | N/A  |
| 401(k)   | \$19,500**                | 25% of wages***  |

\*\$16,500 if 50 or older

\*\*\$26,000 if 50 or older

\*\*\*Combined maximum of employee and employer contributions is \$58,000 in 2021