



# Tax Facts and Figures

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## 2021 Federal Tax Rate Schedules

### Single Taxable Income

\$ 0 to 9,950	× 10.0%	minus	\$ 0.00	= Tax
9,951 to 40,525	× 12.0%	minus	199.00	= Tax
40,526 to 86,375	× 22.0%	minus	4,251.50	= Tax
86,376 to 164,925	× 24.0%	minus	5,979.00	= Tax
164,926 to 209,425	× 32.0%	minus	19,173.00	= Tax
209,426 to 523,600	× 35.0%	minus	25,455.75	= Tax
523,601 and over	× 37.0%	minus	35,927.75	= Tax

### MFJ or QW Taxable Income

\$ 0 to 19,900	× 10.0%	minus	\$ 0.00	= Tax
19,901 to 81,050	× 12.0%	minus	398.00	= Tax
81,051 to 172,750	× 22.0%	minus	8,503.00	= Tax
172,751 to 329,850	× 24.0%	minus	11,958.00	= Tax
329,851 to 418,850	× 32.0%	minus	38,346.00	= Tax
418,851 to 628,300	× 35.0%	minus	50,911.50	= Tax
628,301 and over	× 37.0%	minus	63,477.50	= Tax

### MFS Taxable Income

\$ 0 to 9,950	× 10.0%	minus	\$ 0.00	= Tax
9,951 to 40,525	× 12.0%	minus	199.00	= Tax
40,526 to 86,375	× 22.0%	minus	4,251.50	= Tax
86,376 to 164,925	× 24.0%	minus	5,979.00	= Tax
164,926 to 209,425	× 32.0%	minus	19,173.00	= Tax
209,426 to 314,150	× 35.0%	minus	25,455.75	= Tax
314,151 and over	× 37.0%	minus	31,738.75	= Tax

### HOH Taxable Income

\$ 0 to 14,200	× 10.0%	minus	\$ 0.00	= Tax
14,201 to 54,200	× 12.0%	minus	284.00	= Tax
54,201 to 86,350	× 22.0%	minus	5,704.00	= Tax
86,351 to 164,900	× 24.0%	minus	7,431.00	= Tax
164,901 to 209,400	× 32.0%	minus	20,623.00	= Tax
209,401 to 523,600	× 35.0%	minus	26,905.00	= Tax
523,601 and over	× 37.0%	minus	37,377.00	= Tax

## Additional Medicare Tax

**0.9% additional tax on wage income above threshold**

Filing status	Single, HOH, QW	MFJ	MFS
Threshold amount	\$200,000	\$250,000	\$125,000

## 2021 Qualifying Relative Limit

The qualifying relative income limit is..... \$4,300

## 2021 Standard Deduction

The basic standard deduction for 2021 is:

Single or MFS.....	\$12,550
MFJ or QW.....	\$25,100
HOH.....	\$18,800

**Age 65 and/or blind.** The additional amounts for age 65 or older and/or blind, per person, per event in 2021 are:

MFJ, QW, or MFS .....	\$1,350
Single or HOH.....	\$1,700

**Dependent.** The standard deduction in 2021 for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of \$1,100, or earned income plus \$350.

## Child Tax Credit and Credit for Other Dependents

<b>Increased Child Tax Credit</b>	<ul style="list-style-type: none"> <li>• \$3,600 per qualifying child under age 6.</li> <li>• \$3,000 per qualifying child age 6–17.</li> </ul>
Increased Child Tax Credit phaseout begins	MFJ, QW.....\$150,000 HOH.....\$112,500 Single, MFS.....\$75,000
<b>Child Tax Credit</b>	\$2,000 per qualifying child.
\$2,000 Child Tax Credit phaseout begins	MFJ.....\$400,000 Single, HOH, MFS.....\$200,000
<b>Credit for Other Dependents</b>	\$500 per dependent (not a qualifying child).

## Social Security Highlights

Employee's portion of FICA	2021	2020	2019
Maximum earnings subject to Social Security tax (Medicare no limit)	\$142,800	\$137,700	\$132,900
Social Security tax rate	6.20%	6.20%	6.20%
Medicare tax rate*	1.45%	1.45%	1.45%
Maximum Social Security tax	\$8,853.60	\$8,537.40	\$8,239.80

\*Plus 0.9% on wages above threshold amount, plus 3.8% on unearned income above threshold amount.



# Tax Facts and Figures

## Business Expenses

<b>2021 Standard Mileage Rate Per Mile</b>	<b>2021 Standard Deduction for Meals— High Low Method (Per Day)</b>
Business.....56.0¢	High cost localities.....\$ 71
Medical and moving*.....16.0¢	All other localities.....\$ 60
Charitable.....14.0¢	Transportation workers.....\$ 66
Depreciation.....26.0¢	
<b>Section 179 Expense Limits</b>	<b>Qualified Transportation Benefits (exclusion from income allowed, but no employer deduction)</b>
Regular 179 limits.....\$1,050,000	Commuter benefits (per month)....\$270
SUV limits.....\$26,200	Parking benefits (per month).....\$270
Investment phaseout begins.....\$2,620,000	

\*The moving expense deduction is available only to active duty military servicemembers pursuant to a permanent change of station (PCS) order.

## 2021 Retirement Plan Limits

<b>401(k)/403(b) Deferral Limits</b>	<b>Roth IRA Phaseout Range</b>
Under age 50.....\$19,500	MFJ.....\$198,000—\$208,000
Age 50 and over.....\$26,000	Single, HOH.....\$125,000—\$140,000
<b>IRA Contribution Limits</b>	MFS.....\$0—\$10,000
Under age 50.....\$6,000	<b>SIMPLE Deferral Limits</b>
Age 50 and over.....\$7,000	Under age 50.....\$13,500
<b>IRA Deduction Phaseout Range if Covered by Employer Plan</b>	Age 50 and over.....\$16,500
MFJ.....\$105,000—\$125,000	<b>Qualified Retirement Plans</b>
Single, HOH.....\$66,000—\$76,000	Profit sharing/SEP limits .25%/\$58,000
MFS.....\$0—\$10,000	Defined benefit plan limits...\$230,000
Spouse not covered	Compensation limits.....\$290,000
.....\$198,000—\$208,000	

## Education Tax Benefits

<b>American Opportunity Credit</b>	<b>Education Savings Account (ESA)</b>
MFJ phaseout....\$160,000—\$180,000	MFJ phaseout.....\$190,000—\$220,000
Single, HOH	All others.....\$95,000—\$110,000
phaseout.....\$80,000—\$90,000	Annual contribution limit: \$2,000 per beneficiary
Maximum credit: \$2,500 per student	<b>Student Loan Interest Deduction</b>
Up to 40% (\$1,000) may be refundable	MFJ phaseout.....\$140,000—\$170,000
<b>Lifetime Learning Credit</b>	Single, HOH phaseout.....\$70,000—\$85,000
MFJ phaseout....\$160,000—\$180,000	Maximum deduction: \$2,500 per return
Single, HOH	<b>U.S. Savings Bonds Interest Exclusion</b>
phaseout.....\$80,000—\$90,000	MFJ phaseout.....\$124,800—\$154,800
Maximum credit: \$2,000 per return	Single, HOH phaseout.....\$83,200—\$98,200

### Qualified Tuition Plans (529 plans)

- Distributions for qualifying expenses for college students or apprentices are not taxable.
- Distributions up to \$10,000 per student are allowed for tuition expenses for a public, private, or religious elementary or secondary school.
- Cumulative distributions up to \$10,000 per beneficiary and sibling for qualified education debt.

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## 2021 Tax Rates: Capital Gain and Dividend Income

If income is...	Maximum tax rate %	If asset is held...
Gain from the sale of collectibles	28%	More than 1 year
Taxable portion of gain on qualified small business stock (section 1202 exclusion)	28%	More than 5 years
Unrecaptured section 1250 gain	25%	More than 1 year
Long-term capital gain	See below	More than 1 year
Qualified dividend income	See below	More than 60 days
<b>Taxable Income</b>		
Single.....\$0 to \$40,400	0%	
MFJ/QW.....\$0 to \$80,800		
MFS.....\$0 to \$40,400		
HOH.....\$0 to \$54,100		
Estates and trusts.....\$0 to \$2,700		
<b>Taxable Income</b>		
Single.....\$40,401 to \$445,850	15%	
MFJ/QW.....\$80,801 to \$501,600		
MFS.....\$40,401 to \$250,800		
HOH.....\$54,101 to \$473,750		
Estates and Trusts.....\$2,701 to \$13,250		
<b>Taxable Income</b>		
Single.....\$445,851 and over	20%	
MFJ/QW.....\$501,601 and over		
MFS.....\$250,801 and over		
HOH.....\$473,751 and over		
Estates and Trusts.....\$13,251 and over		
Short-term capital gain	37%	1 year or less
Ordinary dividend income	37%	60 days or less

## Net Investment Income Tax (NIIT)

**3.8% additional tax on investment income if MAGI above threshold amount**

Filing status	Single, HOH	MFJ, QW	MFS
Threshold amount	\$200,000	\$250,000	\$125,000

## 2021 Qualified Business Income Deduction Thresholds

MFJ: \$329,800	MFS: \$164,925	Single, HOH, QW: \$164,900
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## Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 72.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of \$5,000.