



## Many tax-related limits affecting businesses increase for 2019

A variety of tax-related limits affecting businesses are annually indexed for inflation, and many have gone up for 2019. Here's a look at some that may affect you and your business.

### Deductions

- Section 179 expensing:
  - Limit: \$1.02 million (up from \$1 million)
  - Phaseout: \$2.55 million (up from \$2.5 million)
- Income-based phase-ins for certain limits on the Sec. 199A qualified business income deduction:
  - Married filing jointly: \$321,400-\$421,400 (up from \$315,000-\$415,000)
  - Married filing separately: \$160,725-\$210,725 (up from \$157,500-\$207,500)
  - Other filers: \$160,700-\$210,700 (up from \$157,500-\$207,500)

### Retirement plans

- Employee contributions to 401(k) plans: \$19,000 (up from \$18,500)
- Catch-up contributions to 401(k) plans: \$6,000 (no change)
- Employee contributions to SIMPLEs: \$13,000 (up from \$12,500)
- Catch-up contributions to SIMPLEs: \$3,000 (no change)
- Combined employer/employee contributions to defined contribution plans (not including catch-ups): \$56,000 (up from \$55,000)
- Maximum compensation used to determine contributions: \$280,000 (up from \$275,000)
- Annual benefit for defined benefit plans: \$225,000 (up from \$220,000)
- Compensation defining "highly compensated employee": \$125,000 (up from \$120,000)
- Compensation defining "key employee": \$180,000 (up from \$175,000)

## Other employee benefits

- Qualified transportation fringe-benefits employee income exclusion: \$265 per month (up from \$260)
- Health Savings Account contributions:
  - Individual coverage: \$3,500 (up from \$3,450)
  - Family coverage: \$7,000 (up from \$6,900)
  - Catch-up contribution: \$1,000 (no change)
- Flexible Spending Account contributions:
  - Health care: \$2,700 (up from \$2,650)
  - Dependent care: \$5,000 (no change)

Additional rules apply to these limits, and they are only some of the limits that may affect your business. Please contact us for more information.