



JMF CPA LLC

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Please be aware that a large number of individual tax items of the 2018 Tax Act sunset in 2025.

New Alimony Rules: For Agreements executed or modified after 12/31/2018, alimony received is not income and alimony paid is not a deduction. However, parties can elect to follow any new rules that will be effective in 2026 as long as indicated in executed agreement.

* **Auto Mileage Rates for 2020: Released Dec 31, 2019**

Business – 57.5 cents per mile	Medical - 17 cents per mile
Charity - 14 cents per mile	Moving - 17 cents per mile

* **Depreciation Component** for business purposes of standard mileage rates are: 24 cents in 2015 and 2016; 25 cents in 2017 and 2018; 26 cents in 2019 and 27 cents in 2020.

* **Gift Exclusion Annual Amount for 2020: \$15,000**

* **Estate and Gift Lifetime Exclusion for 2020: \$11.58 million (\$23.16M for spousal portability election)**

* **Foreign Earned Income Exclusion Annual Amount for 2020: \$107,600**

* **Social Security Numbers for 2020:**

Wage Limit: \$137,700
Quarter of Coverage: \$1,410
Retirement Earnings Test Exempt Amounts if under retirement age: \$18,240/yr (\$1,520/mo)
Retirement Earnings Test Exempt Amounts for year attaining retirement age before birth date: \$48,600/yr (\$4,050/mo)
Benefit Reduction for months prior to full retirement age: \$1 of benefits for every \$3 earnings over limit

* **Long-Term Care Insurance Premium Limits for 2020:**

Age 40 or less:	\$ 430	More than 60, less than 71:	\$4,350
More than 40, less than 51:	\$ 810	More than 70:	\$5,430
More than 50, less than 61:	\$1,630		

* **HSA contribution amounts for 2020:**

Individual: \$3,550 (+\$1,000 for over age 55)
Family: \$7,100 (+\$1,000 for over age 55)

* **FSA contribution amounts for 2020: \$2,750**

* **Retirement Deferrals for 2020:**

401(k) - \$19,500 (age 50 and over catch-up is \$6,500)
Simple - \$13,500 (age 50 and over catch-up is \$3,000)
IRA - \$6,000 (age 50 and over catch-up is \$1,000)
Defined Contribution Plan - \$57,000

* **Compensation limits (401, 404, 408) for 2020: \$285,000**

* **Child Tax Credit in 2020: \$2,000** (Maximum refundable portion per child of \$1,400) for children under 17 years of age. Other dependents qualify for a \$500 nonrefundable credit.

- * **Election to Expense Certain Depreciation Assets (Section 179) for 2020:** \$1,000,000 (limit on capital purchases: \$2,500,000)
- * **100% Bonus Depreciation in First Year until 12/31/2022.**
- * **Standard Deductions for 2020:** \$24,800 (MFJ, Surviving Spouse); \$18,650 (HOH); and \$12,400 (Single, MFS). Additional deduction for aged or blind is \$1,300 (\$1,650 for unmarried taxpayers).
- * **Additional Medicare Tax for 2020:** 3.8% surtax on net investment income and 0.9% Medicare contributions tax on earned income when adjusted gross income exceeds: \$250,000 (MFJ, Surviving Spouse); \$200,000 (HOH and Single) and \$125,000 (MFS)
- * **Alternative Minimum Tax for 2020:** For 2020, the exemption amounts are \$72,900 (Single/HOH); \$113,400 (MFJ) and \$56,700 for (MFS) and do not phase out until \$518,400 (Single/HOH/MFS) and \$1,036,800 (MFJ). The 28% rate applies to excess AMTI of \$197,900 (MFJ) and \$98,950 (Single/HOH/MFS)
- * **ACA Penalty for 2020:** For 2020, the penalty for not maintaining minimum essential health coverage: \$0
- * **Deduction for Pass-through (includes Sole Shareholders) Entities:** 20% of Qualified Business Income (QBI) limited to 50% of W-2 Wages or 25% of wages and 2.5% of Qualified Property Unadjusted Basis. Income limitations for service industries. QBI thresholds are \$326,600 (MFJ); \$163,300 (MFS) and \$163,300 (S/HOH).