

2019 Tax Reference Guide



SIMONS BITZER

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2019 INDIVIDUAL TAX RATES — TAXABLE INCOME

**Amounts for married separate are one-half joint amounts*

TAX RATE	SINGLE	JOINT*	HEAD OF HOUSEHOLD
10%	\$1 - 9,700	\$1 - 19,400	\$1 - 13,850
12%	9,701 - 39,475	19,401 - 78,950	13,851 - 52,850
22%	39,476 - 84,200	78,951 - 168,400	52,851 - 84,200
24%	84,201 - 160,725	168,401 - 321,450	84,201 - 160,700
32%	160,726 - 204,100	321,451 - 408,200	160,701 - 204,100
35%	204,101 - 510,300	408,201 - 612,350	204,101 - 510,300
37%	Over 510,300	Over 612,350	Over 510,300

2019 DEDUCTIONS & EXEMPTIONS

Standard Deduction

Single	\$12,200
Joint returns and surviving spouses	\$24,400
Married filing separately	\$12,200
Head of household	\$18,350

The standard deduction is increased by \$1,300 for a married taxpayer 65 or older or blind (\$2,600 if both 65 and blind); by \$1,650 for a single taxpayer 65 or older or blind (\$3,300 if both 65 and blind).

Personal Exemption: Suspended through 2025

2019 FICA TAX RATES

TAX	MAXIMUM TAX RATE	MINIMUM WAGE BASE	MAXIMUM TAX
Social Security	6.20%	\$132,900	\$8,239.80
Medicare	1.45%*	No limit	No ceiling

FICA tax is a combination of a Social Security tax and a Medicare tax. The Social Security tax is assessed on wages up to \$132,900. Medicare tax is assessed on all wages.

Self-employed individuals pay a self-employment tax which is the equivalent of FICA tax. For 2019, it is 15.3% OASDI tax (Old Age, Survivors, and Disability Insurance tax) on the first \$132,900 of self-employed income.

*A 2.9% Medicare tax is imposed on all net self-employment income. A 0.9% Medicare surtax is assessed on all wages or self-employment income in excess of \$200,000 for singles, \$250,000 for joint returns and \$125,000 for married couples filing separately.

2019 INCOME PHASEOUT LEVELS

Itemized Deductions:

- No home equity interest, unless used to build, buy or substantially improve your home
- \$750,000 new acquisition indebtedness interest limit after 12/14/17
- \$10,000 property/state income & sales tax limit
- Personal and casualty losses limited to presidentially declared disaster
- Wager loss limitation applies to gambling and related expenses
- No miscellaneous itemized deductions over 2%
- Medical expense threshold 10%

ALTERNATIVE MINIMUM TAX EXEMPTION

Single and head of household	\$71,700
Joint returns and surviving spouses	\$111,700
Married filing separately	\$55,850
Estates and trusts	\$25,000

CHILD TAX CREDIT

(\$2,000 per child)

Single and head of household	Starts at \$200,000
Joint	Starts at \$400,000
Married filing separately	Starts at \$200,000

FAMILY TAX CREDIT

\$500/dependent for those not qualified for CTC

IRA DEDUCTIBILITY (with company pension)

Single and head of household	\$64,000 - 74,000
Joint	\$103,000 - 123,000
When spouse has company pension	\$193,000 - 203,000
Married filing separately	\$0 - 10,000

ROTH IRA ELIGIBILITY

Single and head of household	\$122,000 - 137,000
Joint	\$193,000 - 203,000
Married filing separately	\$0 - 10,000
Conversion of traditional IRA to Roth IRA	No income limit

EDUCATION SAVINGS ACCOUNT

(Ed. IRA)

Single, head of household and married filing separately	\$95,000 - 110,000
Joint	\$190,000 - 220,000

AMERICAN OPPORTUNITY (HOPE) CREDIT

Single and head of household	\$80,000 - 90,000
Joint	\$160,000 - 180,000
Married filing separately	\$0

LIFETIME LEARNING CREDIT

Single and head of household	\$58,000 - 68,000
Joint	\$116,000 - 136,000

COLLEGE BOND INTEREST EXCLUSION

Single and head of household	\$81,100 - 96,100
Joint	\$121,600 - 151,600

INTEREST ON EDUCATION LOANS

Single and head of household	\$70,000 - 85,000
Joint	\$140,000 - 170,000

**Adjusted or modified adjusted gross income*

2019 CORPORATE TAX RATES

C Corporations

- Flat 21% corporate tax rate. Includes personal service corporations.
- No alternative minimum tax (AMT).

Pass-through Entities (S corps, partnerships & sole proprietors)

- Taxed as ordinary income
- 20% income deduction calculation. Qualified service trade business threshold:
\$160,700 (\$321,400 joint)

Select service companies above these limits have the income deduction reduced.