



DOWNEY & COMPANY, LLP

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2021 Tax Facts At-A-Glance

Income Taxes

2020				2021			
If taxable income is:				If taxable income is:			
Over	But Not Over	The Tax Is	Of the Amount Over	Over	But Not Over	The Tax Is	Of the Amount Over
Married Filing Jointly:				Married Filing Jointly:			
\$0	\$19,750	\$0+10%	\$0	\$0	\$19,900	\$0+10%	\$0
19,750	80,250	1,975+12%	19,750	\$19,900	81,050	1,990+12%	\$19,900
80,250	171,050	9,235+22%	80,250	81,050	172,750	9,328+22%	81,050
171,050	326,600	29,211+24%	171,050	172,750	329,850	29,502+24%	172,750
326,600	414,700	66,543+32%	326,600	329,850	418,850	67,206+32%	329,850
414,700	622,050	94,735+35%	414,700	418,850	628,300	95,686+35%	418,850
622,050		167,307.50+37%	622,050	628,300		168,993.50+37%	628,300
Single:				Single:			
\$0	\$9,875	\$0+10%	\$0	\$0	\$9,950	\$0+10%	\$0
9,875	40,125	987.50+12%	9,875	\$9,950	40,525	995+12%	\$9,950
40,125	85,525	4,617.50+22%	40,125	40,525	86,375	4,664+22%	40,525
85,525	163,300	14,605.50+24%	85,525	86,375	164,925	14,751+24%	86,375
163,300	207,350	33,271.50+32%	163,300	164,925	209,425	33,603+32%	164,925
207,350	518,400	47,367.50+35%	207,350	209,425	523,600	47,843+35%	209,425
518,400		156,235+37%	518,400	523,600		157,804.25+37%	523,600
Standard Deductions				Education Incentives			
Married Filing Jointly				American Opportunity Tax Credit			
				\$2,500			
Head of Household				Phase-outs for American Opportunity Tax Credit:			
				Married Filing Jointly			
				Single			
Single				Phase-outs for Exclusion of U.S. Savings Bond Income:			
				Married Filing Jointly			
				Single			
Additional (Age 65 or Older or Blind):				Phase-outs for Coverdell Education Savings Accounts:			
Married Filing Jointly				<i>Maximum contributions of \$2,000 phase-out range:</i>			
Unmarried & Not Surviving Spouse				Married Filing Jointly			
				Single			
AGI Itemized Deduction Phase-out:				Net Investment Income Tax			
Single				3.8%			
Head of Household				Over threshold amount of:			
Married Filing Jointly				Married Filing Jointly			
Married Filing Separately				Married Filing Separately			
				Single			
Personal Exemption				Capital Gains Tax & Qualified Dividends			
None				2021			
<i>Phase-out range:</i>				<i>Maximum taxable income thresholds:</i>			
Single				Rate			
Head of Household				Married Filing Jointly			
Married Filing Jointly				Single			
Married Filing Separately				Head of Household			
				0%			
				15%			
				20%			
Child Tax Credit				AMT Exemptions			
<i>(Under Age 18 With Unearned Income)</i>				2020			
				2021			
Credit per Qualifying Child				Married Filing Jointly			
Credit per Qualifying Dependent				Phase-out Threshold			
				Single			
				Phase-out Threshold			
				Corporations			
				2020			
				2021			
				Flat Rate			
				21%			
				21%			
Depreciation Expense				Pass-Through Entities			
2020				2021			
Election to Expense Under Section 179				Qualified businesses income deduction (subject to various restrictions) is the lesser of:			
Bonus Depreciation				· 20% of qualified business income, or			
				· 50% of W-2 wages paid (alternative method of 25% of W-2 wages plus 2.5% of unadjusted basis on qualified property)			
Mileage Rates (Per Mile)				Qualified business income deduction cannot be claimed by taxpayers in most service businesses with taxable income in excess of \$329,800 (for joint filers) or \$164,900 (for single filers) for 2021. Those thresholds were \$326,600 (for joint filers) or \$163,300 (for single filers) for 2020.			
2020							
2021							
Business							
Charity							
Medical							

2021 Tax Facts At-A-Glance

Estate & Gift Taxes

Scheduled Gift & Estate Tax Changes

Year	Gift Tax Top Rate	Top Estate Tax Rate	Estate Tax Exemption
2011	35%	35%	5,000,000
2012	35%	35%	5,120,000
2013	40%	40%	5,250,000
2014	40%	40%	5,340,000
2015	40%	40%	5,430,000
2016	40%	40%	5,450,000
2017	40%	40%	5,490,000
2018	40%	40%	11,200,000
2019	40%	40%	11,400,000
2020	40%	40%	11,580,000
2021	40%	40%	11,700,000

Gift Tax	2020	2021
Annual Gift Tax Exclusion	\$15,000	\$15,000
Gift Tax Exemption	\$11,580,000	\$11,700,000
Generation Skipping Transfer Tax Exemption	\$11,580,000	\$11,700,000

Qualified Plans

	2020	2021
IRA Maximum Contribution Limit	\$6,000	\$6,000
IRA Age 50+ Catch-up Contribution	1,000	1,000
SEP Plan Participant Maximum Percentage of Compensation	25%	25%
SEP Plan Participant Maximum Dollar Allocation Limit	57,000	58,000
SEP Minimum Compensation Amount	600	650
Simple IRA Employee Contribution:		
SIMPLE IRA Catch-up - Age 50 or Older	3,000	3,000
Maximum Elective Deferral to SIMPLE Plan	13,500	13,500
403(b) TSA Elective Employee Deferral		
403(b) TSA Catch-up - Age 50 or Older	6,500	6,500
403(b) TSA Catch-up - 15 or More Years of Service With Current Employer	3,000	3,000
Defined Contribution Maximum Employer Percentage Deduction Limit (of Eligible Payroll)	25%	25%
Defined Contribution Plan Annual Addition Limit	57,000	58,000
Maximum Elective Deferral to Retirement Plans [e.g., 401(k), 403(b) & 457]		
401(k) Age 50+ Catch-up Contribution	6,500	6,500
Annual Includable Compensation Limit	285,000	290,000
Highly Compensated Employee Compensation Limit	130,000	130,000
Annual Retirement Benefit Limit Under Defined Benefit Plan (Not to Exceed 100% of Compensation)	230,000	230,000

IRAs

Phase-out Range for Deductible Contributions to Traditional IRAs:

Married Filing Jointly:

Both Spouses as Participants in Qualified Plan

One Spouse as Participant in Qualified Plan

Single/Head of Household

Phase-out Range for Contributions to Roth IRAs:

Married Filing Jointly

Single/Head of Household

Social Security	2020	2021
Full Retirement Age	67 (1960 or Later)	67 (1960 or Later)
Portion of Benefit Paid at Age 62:	75%	75%
Maximum Earnings Before Social Security Benefits Are Reduced:		
Before Full Retirement Age (Lose \$1 for Every \$2 of Earnings)	\$18,240	\$18,960
Year of Full Retirement Age	\$48,600	\$50,520
After Full Retirement	No limit	No limit
Maximum Compensation Subject to FICA Taxes:		
OASDI (Social Security) Max	\$137,700	\$142,800
HI (Medicare) Max	No limit	No limit
2021 OASDI Tax Rate	12.4%	Self-employed
	6.2%	Employees
2021 HI Tax Rate	2.9%*	Self-employed
	1.45%*	Employees

*Higher Medicare rate is effective for single with income over \$200,000 & married with income over \$250,000

2021 Required Minimum Distributions Must be Taken by Age 70.5 or 72

2021 Required Minimum Distribution Table

Age	Factor	Age	Factor	Age	Factor
70	27.4	81	17.9	92	10.2
71	26.5	82	17.1	93	9.6
72	25.6	83	16.3	94	9.1
73	24.7	84	15.5	95	8.6
74	23.8	85	14.8	96	8.1
75	22.9	86	14.1	97	7.6
76	22.0	87	13.4	98	7.1
77	21.2	88	12.7	99	6.7
78	20.3	89	12.0	100	6.3
79	19.5	90	11.4	101	5.9
80	18.7	91	10.8	102	5.5



2020 2021

Married Filing Jointly:		
Both Spouses as Participants in Qualified Plan	\$104,000 - 124,000	\$105,000 - 125,000
One Spouse as Participant in Qualified Plan	196,000 - 206,000	198,000 - 208,000
Single/Head of Household	65,000 - 75,000	66,000 - 76,000
Married Filing Jointly	\$196,000 - 206,000	\$198,000 - 208,000
Single/Head of Household	124,000 - 139,000	125,000 - 140,000



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This information has been obtained from publicly available sources and is believed to be accurate as of January 2021.