

2019 Tax Reference Guide



Income Taxes

| 2018 | | | |
|-----------------------------------|-----------|------------------|-----------------|
| If Taxable Income is: | | | |
| Over | But Not > | The Tax Is | Of the Amount > |
| Married Filing Jointly | | | |
| \$0 | \$19,050 | \$0+10% | \$0 |
| 19,051 | 77,400 | 1,905+12% | 19,050 |
| 77,401 | 165,000 | 8,907+22% | 77,400 |
| 165,001 | 315,000 | 28,179+24% | 165,000 |
| 315,001 | 400,000 | 64,179+32% | 315,000 |
| 400,001 | 600,000 | 91,379+35% | 400,000 |
| 600,000+ | ----- | 161,379+37% | 600,000 |
| Single | | | |
| \$0 | \$9,525 | \$0+10% | \$0 |
| 9,526 | 38,700 | 952.50 + 12% | 9,525 |
| 38,701 | 82,500 | 4,453.50 + 22% | 38,700 |
| 82,501 | 157,500 | 14,089.50 + 24% | 82,500 |
| 157,501 | 200,000 | 32,089.50 +32% | 157,500 |
| 200,000 | 500,000 | 45,689.50 + 35% | 200,000 |
| 500,000+ | ----- | 150,689.50 + 37% | 500,000 |
| Estates & Trusts | | | |
| \$0 | \$2,550 | \$0+10% | \$0 |
| 2,551 | 9,150 | 255+24% | 2,550 |
| 9,151 | 12,500 | 1,839 +35% | 9,150 |
| 12,501+ | ----- | 3,011.50 + 37% | 12,500 |
| Corporations | | | |
| All C-Corporations pay a flat 21% | | | |

| 2019 | | | |
|-----------------------------------|-----------|------------------|-----------------|
| If Taxable Income is: | | | |
| Over | But Not > | The Tax Is | Of the Amount > |
| Married Filing Jointly | | | |
| \$0 | \$19,400 | \$0+10% | \$0 |
| 19,401 | 78,950 | 1,940+12% | 19,400 |
| 78,951 | 168,400 | 9,086+22% | 78,950 |
| 168,401 | 321,450 | 28,765+24% | 168,400 |
| 321,451 | 408,200 | 65,497+32% | 321,450 |
| 408,201 | 612,350 | 93,257+35% | 408,200 |
| 612,350+ | ----- | 164,709.50+37% | 612,350 |
| Single | | | |
| \$0 | \$9,700 | \$0+10% | \$0 |
| 9,701 | 39,475 | 970 + 12% | 9,700 |
| 39,476 | 84,200 | 4,543 + 22% | 39,475 |
| 84,201 | 160,725 | 14,382.50 + 24% | 84,200 |
| 160,726 | 204,100 | 32,748.50 +32% | 160,725 |
| 204,101 | 510,300 | 46,628.50 + 35% | 204,100 |
| 510,301+ | ----- | 153,798.50 + 37% | 510,300 |
| Estates & Trusts | | | |
| \$0 | \$2,600 | \$0+10% | \$0 |
| 2,601 | 9,300 | 260+24% | 2,600 |
| 9,301 | 12,750 | 1,868 +35% | 9,300 |
| 12,750+ | ----- | 3,075.50 + 37% | 12,750 |
| Corporations | | | |
| All C-Corporations pay a flat 21% | | | |

Estate & Gift Taxes

| For Death / Gifts Occurring in 2019 | |
|-------------------------------------|------------------|
| | Exclusion Amount |
| 2017 | \$5.49 million |
| 2018 | \$11.2 million |
| 2019 | \$11.4 million |
| Annual Gift Tax Exclusion: \$15,000 | |
| Gift Tax Exemption: \$11.4 million | |
| GSTT Exemption: \$11.4 million | |

Social Security

Base Amount of Modified Adjusted Gross Income Causing Social Security Benefits to be Taxable:

| | 50% Taxable | 85% Taxable |
|------------------------|-------------|-------------|
| Married Filing Jointly | \$32,000 | \$44,000 |
| Single | \$25,000 | \$34,000 |

Maximum Earnings Before Social Security Benefits are Reduced:
Assumes full retirement age is 66

| | |
|---------------------------------------|----------|
| Under age 66 (lose \$1 for every \$2) | \$17,640 |
| Full retirement age and over | No limit |

Maximum Compensation Subject to FICA Taxes:

| | |
|-------------------------|-----------|
| Social Security Maximum | \$132,900 |
| Medicare Maximum | No limit |

*Social Security tax rate: 12.4% self-employed; 6.2% employees
*Medicare tax rate: 2.9% self-employed; 1.45% employees

Capital Gains and Qualified Dividends

| Single | Married Filing Jointly | Tax Rate |
|----------------------|------------------------|----------|
| \$0 - \$39,375 | \$0 - \$78,750 | 0% |
| \$39,376 - \$434,550 | \$78,751 - \$488,850 | 15% |
| \$434,550+ | \$488,850+ | 20% |

Standard Deductions

| | | Additional Age 65 or Older, or Blind | |
|------------------------|------|--------------------------------------|---------|
| | | 2018 | 2019 |
| Married Filing Jointly | 2018 | \$24,000 | \$1,300 |
| | 2019 | \$24,400 | \$1,300 |
| Single | 2018 | \$12,000 | \$1,600 |
| | 2019 | \$12,200 | \$1,650 |

Child Tax Credit

\$2,000 per child; phases out \$50 for each \$1,000 of AGI over \$400,000-married filing joint, or \$200,000-single.

Kiddie Tax

Unearned income <19 (<24 & full time student)

| | 2018 | 2019 | |
|-------|---------|---------|-----------------|
| First | \$1,050 | \$1,100 | No Tax |
| Next | \$1,050 | \$1,100 | 10% Tax |
| Over | \$2,100 | \$2,200 | Trust Tax Rates |

Personal Exemptions

Personal Exemptions were repealed in 2018.

Limit on Itemized Deductions

"Pease Limitation" was repealed in 2018.

Health Care Bill - Medicare Surtaxes

| | |
|--|-----------|
| Wage Income | 0.9%* |
| Net Investment Income | 3.8%** |
| *For most wage income. See IRS Code section 469. | |
| **For most "unearned income." See IRS Code section 4191. | |
| Married Filing Jointly | \$250,000 |
| Single | \$200,000 |

Saver's Tax Credit

*Contributions to Employer Plans & IRAs
Maximum Credit \$1,000 or \$2,000 MFJ*

| Married Filing Jointly | Single | Credit |
|------------------------|---------------------|---------------------|
| \$0 - \$38,500 | \$0 - \$19,250 | 50% of contribution |
| \$38,501 - \$41,500 | \$19,251 - \$20,750 | 20% of contribution |
| \$41,501 - \$64,000 | \$20,751 - \$32,000 | 10% of contribution |
| Over \$64,000 | Over \$32,000 | Not Available |

The information contained in this document is informational only and is not intended as, nor should it be construed as, legal or accounting advice. Neither HORAN nor its consultants provide legal, tax nor accounting advice of any kind. We make no legal representation nor do we take legal responsibility of any kind regarding regulatory compliance. Please consult your counsel for a definitive interpretation of current statute and regulation and their impact on you and your organization.

2019 Tax Reference Guide

Roth IRAs

AGI Phase-Out Range for Contributions to Roth IRAs:

Married Filing Jointly: \$193,000 - \$203,000

Single: \$122,000 - \$137,000

Roth IRA conversion rules:

Unlimited Modified AGI Any tax filing status

Traditional IRA Deductibility Rules

| Filing Status | Covered by Employer's Retirement Plan? | Modified AGI | | Deductibility |
|------------------------|--|-----------------------|-----------------------|-------------------|
| | | 2018 | 2019 | |
| Single | No | Any amount | Any amount | Full deduction |
| | Yes | \$63,000 or less | \$64,000 or less | Full deduction |
| | | \$63,001 - \$73,000 | \$64,001 - \$74,000 | Partial deduction |
| | | \$73,001 or more | \$74,001 or more | No deduction |
| Married Filing Jointly | Neither Spouse Covered | Any amount | Any amount | Full deduction |
| | | Both Spouses Covered | \$101,000 or less | \$103,000 or less |
| | | \$101,001 - \$121,000 | \$103,001 - \$123,000 | Partial deduction |
| | | \$121,001 or more | \$123,001 or more | No deduction |
| | One Spouse Covered | \$189,000 or less | \$193,000 or less | Full deduction |
| | | \$189,001 - \$199,000 | \$193,001 - \$203,000 | Partial deduction |
| | \$199,001 or more | \$203,001 or more | No deduction | |

Health Savings Accounts - HSAs

An "eligible individual" is defined as:

- (1) One covered by a high deductible health plan (HDHP), (an annual deductible of \$1,350 for single coverage and \$2,700 for family coverage where the maximum out of pocket cannot exceed \$6,750 for single coverage and \$13,500 for family coverage),
- (2) is not covered by any other health insurance except for some permitted coverages,
- (3) is not eligible for and enrolled in Medicare, and
- (4) cannot be claimed as a dependent on someone else's income tax return.

Contribution Limits:

| | 2018 | 2019 |
|-------------|---------|---------|
| Single < 55 | \$3,450 | \$3,500 |
| Single > 55 | \$4,450 | \$4,500 |
| Family < 55 | \$6,900 | \$7,000 |
| Family > 55 | \$7,900 | \$8,000 |

IRAs

Contribution Limits - Traditional and Roth

| | 2018 | 2019 |
|-----------|---------|---------|
| Regular | \$5,500 | \$6,000 |
| Catch-Up* | \$1,000 | \$1,000 |

*Only taxpayers age 50 and over are eligible

Catch-Up Contribution Limits for Other Qualified Plan Types

(catch-up for age 50 and older)

| | 2018 | 2019 |
|-----------------------------------|---------|---------|
| 401(k), 403(b), SARSEP & 457 Plan | \$6,000 | \$6,000 |
| SIMPLE IRA & SIMPLE 401(k) Plan | \$3,000 | \$3,000 |

Uniform Lifetime Table

For calculating Required Minimum Distributions (RMDs) from Qualified Plans and Traditional IRAs

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

Qualified Plans

| | 2018 | 2019 |
|---|------------|------------|
| Maximum elective deferral to retirement plans, e.g. 401(k), 403(b) | \$18,500 | \$19,000 |
| Maximum elective deferral to SIMPLE IRA and SIMPLE 401(k) | \$12,500 | \$13,000 |
| Maximum elective deferral to 457 plans of tax-exempt employers | \$18,500 | \$19,000 |
| Limit on annual additions to SEP IRA plans | \$55,000 | \$56,000 |
| Annual compensation threshold requiring SEP IRA contribution | \$600 | \$600 |
| Limit on annual additions to defined contribution plans | \$55,000 | \$56,000 |
| Maximum annual compensation taken into account for contributions | \$275,000 | \$280,000 |
| Annual benefit limit under defined benefit plans | \$220,000 | \$225,000 |
| Threshold amount for definition of highly compensated employee | \$120,000 | \$125,000 |
| Threshold amount for definition of key employee in top-heavy plans | \$175,000 | \$180,000 |
| Pension Benefit Guaranty Corp. monthly pension amt. (age 65, single life) | \$5,420.45 | \$5,607.95 |