

ESTATE AND GIFT TAX

	2019	2020
<b>Estate tax:</b>		
Exclusion amount	\$11,400,000	\$11,580,000
Maximum tax rate	40%	40%
<b>Gift tax:</b>		
Exemption	\$11,400,000	\$11,580,000
Annual exclusion	15,000	15,000

CORPORATE INCOME TAX RATES

**REGULAR TAX**  
2019 & 2020 Flat Rate 21%

NET OPERATING LOSSES

**CARRYBACK PERIOD**  
Carryback of net operating losses arising from tax years ending after 2017 are generally no longer allowed.

**CARRYFORWARD PERIOD**  
Net operating losses arising from tax years ending after 2017 can be carried forward indefinitely. The net operating loss deduction is limited to 80% of taxable income in the carryforward year.

MICHIGAN TAXPAYERS

**CORPORATE INCOME TAX (CIT)**

Tax rate	6.00%
Filing threshold (apportioned gross receipts)	\$350,000

**INDIVIDUAL INCOME TAX**

	2019	2020
Tax rate	4.25%	4.25%
Personal exemption	\$4,400	\$4,750

PER DIEM RATES\*

	High Cost Locality	Low Cost Locality
Meals and incidental expenses	\$71	\$60
Lodging	226	140
Total	\$297	\$200

\*Using the simplified method of determination.

SECTION 199A DEDUCTION

Maximum qualified business income deduction 20%.

Limitation:  
1. 50% of W-2 wages, or  
2. 25% of W-2 wages + 2.5% of qualified property.

	2019	2020
<b>Phase-in of W-2 wages and qualified property limitations:</b>		
Joint return (taxable income)	\$321,400/421,400	\$326,600/426,600
Single (taxable income)	160,700/210,700	163,300/213,300

<b>Phase-out for specified service trade or businesses:</b>		
Joint return (taxable income)	\$321,400/421,400	\$326,600/426,600
Single (taxable income)	160,700/210,700	163,300/213,300

EMPLOYMENT TAX RATES

SOCIAL SECURITY AND MEDICARE TAXES

	2019	2020
Social Security wage base	\$132,900	\$137,700
Social Security tax rate:		
Employee	6.20%	6.20%
Employer	6.20%	6.20%
Medicare tax rate:		
Employee	1.45%	1.45%
Employer	1.45%	1.45%
Total Social Security and Medicare taxes:		
Employee	7.65%	7.65%
Employer	7.65%	7.65%
Total	15.30%	15.30%
Additional 0.9% Medicare tax on wages and self-employment income in excess of:		
Joint return	\$250,000	\$250,000
Single	200,000	200,000

DEPRECIATION

BONUS DEPRECIATION

	2019	2020
Bonus depreciation rate	100%	100%

SECTION 179 DEDUCTION

	2019	2020
Deduction limit*	\$1,020,000	\$1,040,000
Qualifying property limit*	2,550,000	2,590,000
SUV deduction limit*	25,500	25,900

\*Permanent and is indexed for inflation beginning in 2019

LUXURY AUTO MAXIMUM DEDUCTION

	2019
First year	10,100
First year, with bonus depreciation	18,100
Second year	16,100
Third year	9,700
Fourth year and thereafter	5,760

AUTO STANDARD MILEAGE ALLOWANCES

	Business	Medical/Moving	Charitable
2019	58.0¢	20.0¢	14.0¢
2020	57.5¢	17.0¢	14.0¢



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INDIVIDUAL INCOME TAX RATES

REGULAR TAX 2019	BASE TAXABLE INCOME	TAX ON BASE	% ON EXCESS OVER BASE
Joint return	\$ 0	\$ 0	10%
	19,400	1,940	12%
	78,950	9,086	22%
	168,400	28,765	24%
	321,450	65,497	32%
	408,200	93,257	35%
Single	612,350	164,710	37%
	\$ 0	\$ 0	10%
	9,700	970	12%
	39,475	4,543	22%
	84,200	14,383	24%
	160,725	32,749	32%
Head of household	204,100	46,629	35%
	510,300	153,799	37%
	\$ 0	\$ 0	10%
	13,850	1,385	12%
	52,850	6,065	22%
	84,200	12,962	24%
2020	160,700	31,322	32%
	204,100	45,210	35%
	510,300	152,380	37%
	\$ 0	\$ 0	10%
	19,750	1,975	12%
	80,250	9,235	22%
Single	171,050	29,211	24%
	326,600	66,543	32%
	414,700	94,735	35%
	622,050	167,308	37%
	\$ 0	\$ 0	10%
	9,875	988	12%
Head of household	40,125	4,618	22%
	85,525	14,606	24%
	163,300	33,272	32%
	207,350	47,368	35%
	518,400	156,235	37%
	\$ 0	\$ 0	10%
2020	14,100	1,410	12%
	53,700	6,162	22%
	85,500	13,158	24%
	163,300	31,830	32%
	207,350	45,926	35%
	518,400	154,794	37%

LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS

2019	*Married filing separate thresholds are one-half of these amounts		
Joint return*	Single	Head of Household	Tax Rate
\$0 to \$78,750	\$0 to \$39,375	\$0 to \$52,750	0%
78,751 to 488,850	39,376 to 434,550	52,751 to 461,700	15%
488,851 or more	434,551 or more	461,701 or more	20%
2020	Single	Head of Household	Tax Rate
Joint return*	Single	Head of Household	Tax Rate
\$0 to \$80,000	\$0 to \$40,000	\$0 to \$53,600	0%
80,001 to 496,600	40,001 to 441,450	53,601 to 469,050	15%
496,601 or more	441,450 or more	469,051 or more	20%

INDIVIDUALS

STANDARD DEDUCTION

Standard deduction	2019	2020
Joint return	\$24,400	\$24,800
Single	12,200	12,400
Head of household	18,350	18,650
Additional deduction for the blind and/or elderly:		
Joint return (each)	\$1,300	\$1,300
Single	1,650	1,650

ALTERNATIVE MINIMUM TAX (AMT)

	2019	2020
Tax rate:		
26% of AMT income up to:	\$194,800	\$197,900
Plus 28% of AMT income in excess of:	194,800	197,900
Exemption:		
Joint return	\$111,700	\$113,400
Single	71,700	72,900
Exemption phaseout:		
Joint return	\$1,020,600/1,467,400	\$1,036,800/1,490,400
Single	510,300/797,100	518,400/810,000

DEPENDENT TAX CREDITS

	2019	2020
Dependent child under age 17	\$2,000	\$2,000
Maximum refundable portion	1,400	1,400
Phaseout, beginning (Joint return)	400,000	400,000
Phaseout, beginning (Single/HOH)	200,000	200,000
Other dependents	500	500

AMERICAN OPPORTUNITY CREDIT\*

	2019	2020
Maximum credit	\$2,500	\$2,500
Phaseout:		
Joint return	\$160,000/180,000	\$160,000/180,000
Single	80,000/90,000	80,000/90,0000

\*Not allowed under married filing separately

LIFETIME LEARNING CREDIT

	2019	2020
Maximum credit	\$2,000	\$2,000
Phaseout:		
Joint return	\$116,000/136,000	\$118,000/138,000
Single	58,000/68,000	59,000/69,000

STUDENT LOAN INTEREST DEDUCTION

	2019	2020
Maximum deduction	\$2,500	\$2,500
Phaseout:		
Joint return	\$140,000/170,000	\$140,000/170,000
Single	70,000/85,000	70,000/85,000

ITEMIZED DEDUCTION FOR MEDICAL EXPENSES

	2019	2020
Percentage of AGI floor	7.5%	7.5%

INDIVIDUALS

ADDITIONAL 3.8% MEDICARE TAX ON NET INVESTMENT INCOME

Lesser of: 1) net investment income or 2) Modified Adjusted Gross Income (MAGI)

in excess of:	
Joint return	\$250,000
Single/Head of Household	200,000

RETIREMENT PLAN CONTRIBUTION LIMITS

INDIVIDUAL AND CORPORATE LIMITATIONS

Annual deferral limits:	2019	2020
401(k)/403(b)	\$19,000	\$19,500
SIMPLE Plan	13,000	13,500
Individual Retirement Account (IRA)	6,000	6,000
Roth IRA	6,000	6,000

Catch-up contribution for taxpayers age 50 and over:		
401(k)/403(b)	\$6,000	\$6,500
SIMPLE Plan	3,000	3,000
Individual Retirement Account (IRA)	1,000	1,000
Roth IRA	1,000	1,000

Traditional IRA deduction phaseout:		
Unmarried and active participant	\$64,000/74,000	\$65,000/75,000
MFJ - nonparticipating spouse	193,000/203,000	196,000/206,000
MFJ - participating spouse	103,000/123,000	104,000/124,000

Roth IRA contribution eligibility:		
Joint return	\$193,000/203,000	\$196,000/206,000
Single, head of household	122,000/137,000	124,000/139,000

Other information:		
Compensation limit	\$280,000	\$285,000
Annual contribution limit	56,000	57,000

HEALTH SAVINGS ACCOUNTS (HSA)

	2019	2020
Individual	\$3,500	\$3,550
Family	7,000	7,100
Catch-up contribution (age 55+)	1,000	1,000

FLEXIBLE SPENDING ACCOUNTS (FSA)

	2019	2020
Maximum deduction	\$2,700	\$2,750

SOCIAL SECURITY BENEFITS

TAXABLE SOCIAL SECURITY BENEFITS

Provisional income*	% Subject to Tax	
Married	Single	
Over \$32,000	Over \$25,000	50%
Over \$44,000	Over \$34,000	85%

\*Provisional income includes adjusted gross income, tax exempt interest, certain foreign source income and one-half of Social Security benefits.

MAXIMUM ANNUAL EARNED INCOME LIMIT\*

	2019	2020
Ages 62-64	\$17,640	\$18,240
Age 65	46,920	48,600
Ages 66 or older	no limit	no limit

\*Earned income exceeding this limit results in reduction of Social Security benefits.