

2021 MEDICAL SAVINGS ACCOUNTS (MSA)

2021 Annual Deductible Range

Self-Only Coverage	\$ 2,400 - \$ 3,600
Family Coverage	\$ 4,800 - \$ 7,150

Maximum Out of Pocket

Self-Only Coverage	\$ 4,800
Family Coverage	\$ 8,750

HEALTH SAVINGS ACCOUNT (HSA)

2021 Maximum Annual Contribution Limits

Self-Only Coverage	\$ 3,600
Family Coverage	\$ 7,200

2021 Minimum Deductible

Self-Only Coverage	\$ 1,400
Family Coverage	\$ 2,800

2021 Maximum Out of Pocket

Self-Only Coverage	\$ 7,000
Family Coverage	\$ 14,000

Additional Over Age 55 - 65

2021 and after	\$ 1,000
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ADOPTION CREDIT

Maximum credit for a child with special needs	\$ 14,440
Other adoptions, qualified expenses	Up to \$ 14,440
Phaseout range, modified adjusted gross income	\$ 216,660 - \$ 256,660

BONUS DEPRECIATION

Assets Placed in Service

2021	100%
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SECTION 179 EXPENSE

Expense limit	\$ 1,050,000
Phaseout threshold	\$ 2,620,000

FICA (SS & MEDICARE) WAGE BASE

Social Security wage base	\$ 142,800
Maximum Social Security tax	\$ 8,854
Medicare wage base	No ceiling
Maximum Medicare wage tax	No ceiling

STANDARD DEDUCTIONS

If the taxpayer's filing status is...	Base Amount	Additional Amount for Blindness or Over Age 65
Single	\$ 12,550	\$1,700
Married Filing Jointly	\$ 25,100	\$1,350
Married Filing Separately	\$ 12,550	\$1,350
Head of Household	\$ 18,800	\$1,700
Qualifying Widow(er) with Dependent Child	\$ 25,100	\$1,350
Dependent of Another	\$1,100 (or Earned income + \$350)	\$1,350 (\$1,700 if Single or HOH)

MACRS RECOVERY PERIODS

Type of Property	MACRS Recovery Period	
	General Depreciation System	Alternative Depreciation System
Computers and their peripheral equipment	5 years	5 years
Office machinery, such as: Scanners Calculators Copiers	5 years	6 years
Automobiles	5 years	5 years
Light trucks	5 years	5 years
Appliances, such as: Stoves Refrigerators	5 years	9 years
Carpets	5 years	9 years
Furniture used in rental property	5 years	9 years
Office furniture and equipment, such as: Desks Tables	7 years	10 years
Any property that does not have a class life and that has not been designated by law as being in any other class	7 years	12 years
Roads	15 years	20 years
Shrubbery	15 years	20 years
Fences	15 years	20 years
Residential rental property (buildings or structures) and structural components such as furnaces, water pipes, venting, etc.	27.5 years	30 years
Nonresidential real property	39 years	40 years

Additions and improvements, such as a new roof

The same recovery period as that of the property to which the addition or improvement is made, determined as if the property were placed in service at the same time as the addition or improvement.

See Publication 946—How To Depreciate Property

2021 FILING REQUIREMENTS FOR MOST TAXPAYERS

If the taxpayer's filing status is...	AND at the end of 2021 the taxpayer was...	THEN file a return if the taxpayer's gross income was at least...
Single	Under 65 65 or older	\$12,550 \$14,250
Married Filing Jointly	Under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$25,100 \$26,450 \$27,800
Married Filing Separately	Any age	\$ 5
Head of Household	Under 65 65 or older	\$18,800 \$20,500
Qualifying Widow(er) with Dependent Child	Under 65 65 or older	\$25,100 \$26,450

2021 FILING REQUIREMENTS FOR DEPENDENTS

If either the taxpayer's parents or someone else can claim him or her as a dependent, use this chart to see if the taxpayer must file a return. In this chart, unearned income includes taxable interest, ordinary dividends, and capital gain distributions. Earned income includes wages and tips, as well as taxable scholarships and fellowship grants. Gross income is the total of unearned and earned income.

Single dependents. Was the taxpayer either age 65 or older or blind?

- No. The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income was over \$1,100
 - The taxpayer's earned income was over \$12,550
 - The taxpayer's gross income was more than the larger of:
 - \$1,100
 - The taxpayer's earned income (up to \$12,200) plus \$350
- Yes. The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income was over \$2,800 (\$4,500 if 65 or older and blind)
 - The taxpayer's earned income was over \$14,250 (\$15,950 if 65 or older and blind)
 - The taxpayer's gross income was more than the larger of:
 - \$ 2,800 (\$4,500 if 65 or older and blind)
 - The taxpayer's earned income (up to \$12,200) plus \$2,050 (\$3,750 if 65 or older and blind)



Married dependents. Was the taxpayer either age 65 or older or blind?

- No. The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income was over \$1,100
 - The taxpayer's earned income was over \$12,550
 - The taxpayer's gross income was at least \$5 and his or her spouse files a separate return and itemizes deductions
 - The taxpayer's gross income was more than the larger of:
 - \$1,100
 - The taxpayer's earned income (up to \$12,200) plus \$350
- Yes. The taxpayer must file a return if any of the following apply:
 - The taxpayer's unearned income was over \$2,450 (\$3,800 if 65 or older and blind)
 - The taxpayer's earned income was over \$13,900 (\$15,250 if 65 or older and blind)
 - The taxpayer's gross income was at least \$5 and his or her spouse files a separate return and itemizes deductions
 - The taxpayer's gross income was more than the larger of:
 - \$2,450 (\$3,800 if 65 or older and blind)
 - The taxpayer's earned income (up to \$12,200) plus \$1,700 (\$3,050 if 65 or older and blind)

OTHER SITUATIONS WHEN THE TAXPAYER MUST FILE A 2021 RETURN

The taxpayer must file a return if any of the following conditions apply for 2021.

- The taxpayer owes any special taxes, including any of the following:
 - a. Alternative minimum tax.
 - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA) or other tax-favored account—but if the taxpayer is filing a return only because he or she owes this tax, the taxpayer can file Form 5329 by itself.
 - c. Household employment taxes—but if the taxpayer is filing a return only because he or she owes this tax, the taxpayer can file Schedule H by itself.
 - d. Social Security and Medicare tax on tips the taxpayer did not report to his or her employer or on wages the taxpayer received from an employer who did not withhold these taxes.
 - e. Repayment of the First-Time Homebuyer Credit. See the instructions for Form 1040 (or 1040-SR), Schedule 2, Part II.
 - f. Write-in taxes, including uncollected Social Security and Medicare tax, RRTA tax on tips the taxpayer reported to his or her employer, tax on group-term life insurance, or additional taxes on health savings accounts. See the instructions for Form 1040 (or 1040-SR), Schedule 2, line 17.
 - g. Recapture taxes. See the instructions for Form 1040 (or 1040-SR), Schedule 2, Part II.
- The taxpayer (or his or her spouse, if filing jointly) received HSA, Archer MSA, or Medicare Advantage MSA distributions.
- The taxpayer had net earnings from self-employment of at least \$400.
- The taxpayer had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer Social Security and Medicare taxes.
- The taxpayer had advance payments of the Premium Tax Credit made for him or her, his or her spouse, or a dependent who enrolled in coverage through the Health Insurance Marketplace. The taxpayer should have received Forms 1095-A showing the amount of the advance payments, if any.
- The taxpayer had advance payments of the Health Coverage Tax Credit made for him or her, his or her spouse, or a dependent. The taxpayer, or whomever enrolled him or her, should have received Forms 1099-H showing the amount of the advance payments
- The taxpayer is required to file Form 965-A.

STUDENT LOAN INTEREST DEDUCTION

Maximum interest deduction	\$ 2,500
Modified Adjusted Gross Income Phaseout:	
Married Filing Jointly	\$140,000 - \$170,000
Single/HOH	\$ 70,000 - \$ 85,000

QUALIFYING CHILD FOR CHILD TAX CREDIT

A qualifying child for purposes of the Child Tax Credit must be all of the following:

- A U.S. citizen or resident alien
- An SSN holder
- Claimed as the taxpayer's dependent on Form 1040 or 1040-SR
- Under age 18 at the end of 2021
- The taxpayer's:
 - Son, daughter, adopted child, stepchild, or descendant of any of them (for example, the taxpayer's grandchild)
 - Brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, the taxpayer's niece or nephew) for whom the taxpayer cared for as he or she would his or her own child

Adopted Child

An adopted child is always treated as the taxpayer's own child. An adopted child includes a child placed with the taxpayer by an authorized placement agency for legal adoption even if the adoption is not final.

FULLY REFUNDABLE CHILD TAX CREDIT

Under Age 6	\$3,600
Under Age 18	\$3,000

QUALIFYING DEPENDENT FOR OTHER DEPENDENT CREDIT

A qualifying dependent for the Other Dependent Credit must be all of the following:

- A U.S. citizen, U.S. national, or U.S. resident alien
- An SSN, ITIN, or ATIN holder
- Claimed as the taxpayer's dependent on Form 1040 or 1040-SR

Credit Amount	\$500
Refundable Portion	\$-0-

DEPENDENT CARE CREDIT LIMITATIONS

To determine the taxpayer's amount of fully refundable credit, multiply the taxpayer's work-related expenses (after applying the earned income and dollar limits) by one of the following percentages. This percentage depends on the taxpayer's adjusted gross income shown on Form 1040, 1040-SR, or 1040-NR, line 11. The following table shows the percentage to use based on adjusted gross income. The maximum eligible to be multiplied by these percentages is \$8,000 per child or \$16,000 per return.

If the taxpayer's adjusted gross income is:

Over	But Not Over	Percentage
0	125,000	50%
125,000	127,000	49%
127,000	129,000	48%
129,000	131,000	47%
131,000	133,000	46%
133,000	135,000	45%
135,000	137,000	44%
137,000	139,000	43%
139,000	141,000	42%
141,000	143,000	41%
143,000	145,000	40%
145,000	147,000	39%
147,000	149,000	38%
149,000	151,000	37%
151,000	153,000	36%
153,000	155,000	35%
155,000	157,000	34%
157,000	159,000	33%
159,000	161,000	32%
161,000	163,000	31%
163,000	165,000	30%
165,000	167,000	29%
167,000	169,000	28%
169,000	171,000	27%
171,000	173,000	26%

Over	But Not Over	Percentage
173,000	175,000	25%
175,000	177,000	24%
177,000	179,000	23%
179,000	181,000	22%
181,000	183,000	21%
183,000	400,000	20%
400,000	402,000	19%
402,000	404,000	18%
404,000	406,000	17%
406,000	408,000	16%
408,000	410,000	15%
410,000	412,000	14%
412,000	414,000	13%
414,000	416,000	12%
416,000	418,000	11%
418,000	420,000	10%
420,000	422,000	9%
422,000	424,000	8%
424,000	426,000	7%
426,000	428,000	6%
428,000	430,000	5%
430,000	432,000	4%
432,000	434,000	3%
434,000	436,000	2%
436,000	438,000	1%

COMPARISON OF EDUCATION CREDITS

Lifetime Learning	American Opportunity
Up to \$2,000 credit per return	Up to \$2,500/Up to 40% is refundable
Maximum lifetime learning rate is 20%	100% of first \$2,000 plus 25% of next \$2,000
Available for all years of post-secondary education and for courses to acquire or improve job skills	Available for four years of college and ONLY if the student had not completed the first 4 years of postsecondary education before 2021
Available for an unlimited number of years	Available ONLY for 4 tax years per eligible student (including any years the Hope Credit was claimed)
Student doesn't need to be pursuing a program leading to a degree or other recognized education credential	AGI phaseout between \$80,000 - \$90,000 (\$160K - \$180K MFJ)
Available for one or more courses	Student must be enrolled at least half time for at least one academic period beginning during 2021 (or the first 3 months of 2022 if the qualified expenses were paid in 2021)
Felony drug conviction rule does not apply	As of the end of 2021, the student had not been convicted of a felony for possession or distribution of a controlled substance

EDUCATION CREDITS PHASEOUT

Lifetime Learning Adjusted Gross Income	Refundable American Opportunity
Married Filing Jointly	\$160,000 - \$180,000
All other filing statuses	\$ 80,000 - \$ 90,000

SOCIAL SECURITY PAYBACK

At full retirement age or older	No limit on earnings
Under full retirement age	\$1 in benefits will be deducted for each \$2 you earn above \$18,960
In the year you reach full retirement age	Your benefits will be reduced \$1 for every \$3 you earn above \$50,520

* For people born in 1943 through 1954, the full retirement age is 66.

The full retirement age increases gradually each year until it reaches age 67 for people born in 1960 or later.

EARNED INCOME CREDIT

Single, Married Filing Separately, Head of Household, and Qualifying Widow(er)	Earned Income Ranges to Receive the Maximum EIC		Maximum EIC Amount	EIC Eliminated When Earned Income Reaches These Amounts
	AT LEAST	BUT LESS THAN		
No Children	\$ 9,820	\$11,610	\$1,502	\$21,430
One Child	\$10,640	\$19,520	\$3,618	\$42,158
Two Children	\$14,950	\$19,520	\$5,980	\$47,915
Three or More Children	\$14,950	\$19,520	\$6,728	\$51,464

Married Filing Jointly	Earned Income Ranges to Receive the Maximum EIC		Maximum EIC Amount	EIC Eliminated When Earned Income Reaches These Amounts
	AT LEAST	BUT LESS THAN		
No Children	\$ 9,820	\$17,560	\$1,502	\$27,380
One Child	\$10,640	\$25,470	\$3,618	\$48,108
Two Children	\$14,950	\$25,470	\$5,980	\$53,865
Three or More Children	\$14,950	\$25,470	\$6,728	\$57,414

The maximum amount of investment income the taxpayer can have and still receive EIC has increased to \$10,000.

EARNED INCOME CREDIT IN A NUTSHELL

First, the taxpayer must meet all the rules in this column. Second, the taxpayer must meet all the rules in one of these columns, whichever applies.

PART A Rules for Everyone	PART B Rules if the Taxpayer Has a Qualifying Child	PART C Rules if the Taxpayer Does Not Have a Qualifying Child
<ol style="list-style-type: none"> The taxpayer's adjusted gross income (AGI) must be less than: <ul style="list-style-type: none"> \$51,464 (\$57,414 if Married Filing Jointly) if the taxpayer has three or more qualifying children \$47,915 (\$53,865 if Married Filing Jointly) if the taxpayer has two qualifying children \$42,158 (\$48,108 if Married Filing Jointly) if the taxpayer has one qualifying child \$21,430 (\$27,380 if Married Filing Jointly) if the taxpayer does not have a qualifying child The taxpayer must have a valid Social Security Number. The taxpayer's filing status cannot be "Married Filing Separately" unless the taxpayer lived with a qualifying child for over half the year, and meets the other qualifications in the next column. The taxpayer must be a U.S. citizen, full-year resident alien, or nonresident alien filing Married Filing Jointly. The taxpayer cannot file Form 2555 (relating to foreign earned income). The taxpayer's investment income must be \$10,000 or less. The taxpayer must have earned income. 	<ol style="list-style-type: none"> The taxpayer's child must have a Social Security Number that is valid for employment and issued before the due date of the return (including extensions). The taxpayer's child must meet the relationship, age, and residency tests. The taxpayer's qualifying child cannot be used by more than one person to claim the EIC. The taxpayer cannot be a qualifying child of another person. If Married Filing Separately, the taxpayer must have lived apart from his or her spouse for the last six months of the year. OR The taxpayer must have lived apart from his or her spouse by the end of the year and also be legally separated according to state law under a written separation agreement or a decree of separate maintenance. 	<ol style="list-style-type: none"> The taxpayer must generally be at least 19 (24 if he or she is a student, or 18 if he or she is homeless or is at risk of homelessness or if the taxpayer was in foster care at any time after he or she reached the age of 14). The taxpayer cannot be the dependent of another person. The taxpayer cannot be a qualifying child of another person. The taxpayer must have lived in the United States more than half of the year.

EXEMPTION AMOUNTS

Personal and Dependent	\$ 0
Estate Amount*	\$600
Simple Trust *	\$300
Complex Trust *	\$100

* Exemption not allowed in final year.



FOREIGN EARNED INCOME

2021 Maximum exclusion \$108,700

GIFT TAX

2021 Exclusion \$ 15,000

2021 Exclusion for gift to spouse who is not a U.S. citizen \$159,000

401(K) CONTRIBUTION LIMITS

2021 Maximum deferral \$19,500

2021 Catch Up Contributions and Elective Deferrals \$26,000

LONG-TERM CAPITAL GAINS AND QUALIFYING DIVIDENDS

Single up to	\$ 40,400	0%
Single	\$ 40,401 - \$445,850	15%
Single over	\$445,851+	20%
Married up to	\$ 80,800	0%
Married	\$ 80,801 - \$501,600	15%
Married over	\$501,601+	20%
HOH up to	\$ 54,100	0%
HOH	\$ 54,101 - \$473,750	15%
HOH over	\$473,751+	20%
MFS up to	\$ 40,400	0%
MFS	\$ 40,401 - \$250,800	15%
MFS over	\$250,801+	20%

SAVINGS BOND/HIGHER EDUCATION EXPENSE EXCLUSION

Modified adjusted gross income phaseout range:

Married Filing Jointly \$124,800 - \$154,800
All other filing statuses \$ 83,200 - \$ 98,200

LONG-TERM CARE PREMIUMS

Maximum premium (per person):

Age 40 or under \$450
Age 41 to 50 \$850
Age 51 to 60 \$1,690
Age 61 to 70 \$4,520
Age 71 or over \$5,640

ALTERNATIVE MINIMUM TAX

First \$199,900 (\$99,950 Married Filing Separately) of Alternative Minimum Taxable Income 26%
Over \$199,900 of Alternative Minimum Taxable Income 28%



Exemptions:

Married Filing Jointly or Qualifying Widow(er) \$114,600
Married Filing Separately \$ 57,300
Single or Head of Household \$ 73,600
Trusts and Estates \$ 25,700

Exemption Phaseout:

25% of amount AMTI exceeds:

Filing Status	AMTI Begin Phaseout	AMTI Fully Phased Out
MFJ/Qualifying Widow(er)	\$1,047,200	\$1,505,600
Married Filing Separately	\$ 523,600	\$ 752,800
Single/HOH	\$ 523,600	\$ 818,000
Estates and Trusts	\$ 85,650	\$ 188,450

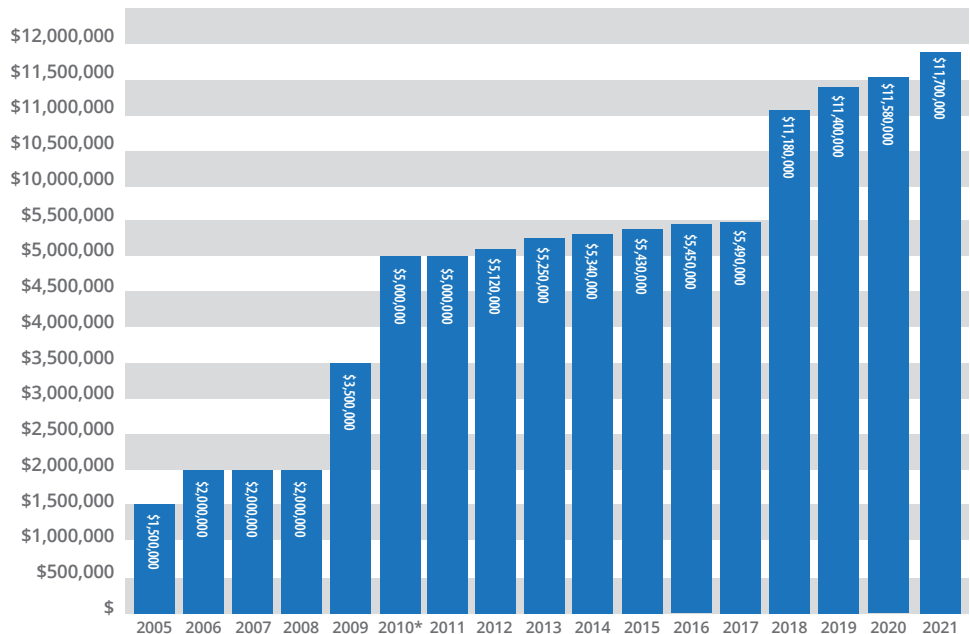
WHERE TO DEDUCT INTEREST EXPENSE

If the taxpayer has...	THEN deduct it on...	AND for more info go to...
Deductible student loan interest	Form 1040/1040-SR, Schedule 1, line 21	Publication 970
Deductible home mortgage interest and points reported on Form 1098	Schedule A (Form 1040/1040-SR), line 8a	Publication 936
Deductible home mortgage interest not reported on Form 1098	Schedule A (Form 1040/1040-SR), line 8b	Publication 936
Deductible points not reported on Form 1098	Schedule A (Form 1040/1040-SR), line 8c	Publication 936
Deductible investment interest (other than interest incurred to produce rents or royalties)	Schedule A (Form 1040/1040-SR), line 9	Publication 550
Deductible business interest (nonfarm)	Schedule C (Form 1040/1040-SR)	Publication 535
Deductible farm business interest	Schedule F (Form 1040/1040-SR)	Publications 225 and 535
Deductible interest incurred to produce rents or royalties	Schedule E (Form 1040/1040-SR)	Publications 527 and 535
Personal interest	Not deductible	

2021 STANDARD MILEAGE RATES

Business mileage \$0.56 / mile
Charitable mileage \$0.14 / mile
Medical/Moving mileage \$0.16 / mile

FEDERAL ESTATE EXEMPTION



*2010 5,000,000 (or N/A if elected to file 8939)

TAX RATE SCHEDULES **Single**

TAXABLE INCOME:

Over	But not over
\$ 0	\$ 9,950
9,950	40,525
40,525	86,375
86,375	164,925
164,925	209,425
209,425	523,600
523,600	-

TAX:

Tax	+%	On amt over
\$.00	10%	\$ 0
995.00	12%	9,950
4,664.00	22%	40,525
14,751.00	24%	86,375
33,603.00	32%	164,925
47,843.00	35%	209,425
157,804.25	37%	523,600

IRA CONTRIBUTION LIMITS

Regular Contributions

2021 Maximum Contribution\$6,000

"Catch Up" Contributions for Taxpayers 50 and over

2021 Catch Up.....\$1,000

PHASEOUT OF IRA DEDUCTIONS

Filing Status	AGI Begin Phaseout	AGI Fully Phased Out
Single (or Married Filing Separately and lived apart from spouse for all of 2021)	\$ 66,000	\$ 76,000
Married Filing Jointly	\$105,000 (\$198,000 if spouse is not covered by a pension plan)	\$125,000 (\$208,000 if spouse is not covered by a pension plan)
Married Filing Separately	\$ 0	\$ 10,000
Head of Household	\$ 66,000	\$ 76,000
Qualifying Widow(er)	\$105,000	\$125,000

TAX RATE SCHEDULES **Head of Household**

TAXABLE INCOME:

Over	But not over
\$ 0	\$ 14,200
14,200	54,200
54,200	86,350
86,350	164,900
164,900	209,400
209,400	523,600
523,600	-

TAX:

Tax	+%	On amt over
\$.00	10%	\$ 0
1,420.00	12%	14,200
6,220.00	22%	54,200
13,293.00	24%	86,350
32,145.00	32%	164,900
46,385.00	35%	209,400
156,355.00	37%	523,600

TAX RATE SCHEDULES **Married Filing Separately**

TAXABLE INCOME:

Over	But not over
\$ 0	\$ 9,950
9,950	40,525
40,525	86,375
86,375	164,925
164,925	209,425
209,425	314,150
314,150	-

TAX:

Tax	+%	On amt over
\$.00	10%	\$ 0
995.00	12%	9,950
4,664.00	22%	40,525
14,751.00	24%	86,375
33,603.00	32%	164,925
47,843.00	35%	209,425
84,496.75	37%	314,150



TAX RATE SCHEDULES **Married Filing Jointly or Qualifying Widow(er)**

TAXABLE INCOME:

Over	But not over
\$ 0	\$ 19,900
19,900	81,050
81,050	172,750
172,750	329,850
329,850	418,850
418,850	628,300
628,300	-

TAX:

Tax	+%	On amt over
\$.00	10%	\$ 0
1,990.00	12%	19,900
9,328.00	22%	81,050
29,502.00	24%	172,750
67,206.00	32%	329,850
95,686.00	35%	418,850
168,993.50	37%	628,300

2021 CORPORATE TAX RATES

The federal corporate income tax rate is 21%.

2021 ESTATE AND TRUST TAX RATES

TAXABLE INCOME:

Over	But not over
\$ 0	\$ 2,650
2,650	9,550
9,550	13,050
13,050	-

TAX:

Tax	+%	On amt over
\$.00	10%	\$ 0
265.00	24%	2,650
1,921.00	35%	9,550
3,146.00	37%	13,050