NEWS YOU CAN USE-2022 TAX FACTS

<u>MILEAGE RATES FOR 2</u>022

BUSINESS: MEDICAL/MOVING: CHARITABLE:

58.5 cents/mile updated to 62.5 cents as of July 1st 18 cents/mile 14 cents/mile

- Kiddie Tax standard deduction amount is \$1,150.00. However, parents can elect to report their child's income on their • return if the child's unearned income is between \$1,150 and \$11,500.
- Income subject to Social Security tax for 2022 is capped \$147,000 (6.2% employee tax rate) •
- Social Security checks went up 5.9% for 2022
- Maximum wage earnings between ages 62 and 66 is increased to \$19,560 before repayment of social security benefits • starts.
- Base Medicare premiums for 2022: \$170.10 per month.

2022 BASIC STANDARD DEDUCTIONS

MFJ/SURVIVING SPOUSE: \$25,900 HEAD OF HOUSEHOLD: \$19,400 SINGLE/MFS: \$12.950 ADDITIONAL DEDUCTION FOR BLIND/OVER AGE 65 TAXPAYERS: \$1,400.00(MFJ) OR \$1,750(SINGLE) PERSONAL EXEMPTION AMOUNT FOR GROSS INCOME TEST: \$4,400.00

2022 AMT EXEMPTION AMOUNTS

MFJ/SURVIVING SPOUSE:	\$118,100
UNMARRIED INDIVIDUALS:	\$ 75,900
MARRIED FILING SEPARATE:	\$ 59,050
ESTATES/TRUST:	\$ 26,500
AMT tax rate:	26% on \$199,900(\$99,950 if MFS)
AMT tax rate:	28% on amounts exceeding above amounts

2022 LONG TERM CAPITAL GAINS TAX RATES

FILING STATUS	<u>-0 % RATE</u>	<u>1</u>
MARRIED/JOINT, SS	UP TO \$83,350	\$
SINGLE	UP TO \$41,675	\$
HEAD HOUSEHOLD	<i>UP TO \$55,499</i>	\$
MARRIED SEPARATE	UP TO \$41,674	\$
ESTATES/TRUST	UP TO \$2,800	\$

15% RATE \$83,351 TO \$517,200 **OVER \$517,200** \$41,675 TO \$459,750 OVER \$459,750 \$55,800 TO \$488,500 OVER \$488,500 \$41,675 TO \$258,600 OVER \$258,600 \$2.800 TO \$13.700 **OVER \$13.700**

20% RATE

Keep in mind that the 23.8% Net Investment Income Tax is still relevant. The income thresholds start at \$250,000 for MJF and QW taxpayers. The single, and HOH threshold is \$200,000. MFS is \$125,000. This tax is subject a modified AGI calculation.

OUALIFIED BUSINESS INCOME DEDUCTION (SECTION 199A) PHASE OUT

MARRIED FILING JOINT:	
ALL OTHER FILERS:	

\$340,100 \$170,050

SPECIAL NEEDS ADOPTION CREDIT: \$14,890.00. The credit begins to phase out when MAGI exceeds \$223,410. Credit is entirely phased out when MAGI reaches \$263,410.00. FOREIGN EARNED INCOME EXCLUSION AMOUNT 2022: \$112,000 FEDERAL ESTATE TAX EXCLUSION 2022: \$12,060,000-AND IT IS STILL PORTABLE! ANNUAL GIFT TAX EXCLUSION: 2022: \$16,000

2022 RETIREMENT PLAN CHANGES

- Effective January 1, 2022, the limitation on the annual benefit under a defined benefit plan under § 415(b)(1)(A) is increased to \$245,000
- Maximum 401(k), 403(b), Thrift Savings Plan, and 457(e) (15) contributions: \$20,500.00. Individuals age 50 or older can contribute an additional \$6,000 for a total of \$26,500.00.
- SIMPLE IRA maximum contributions are \$14,000. If a participant is age 50 or older, then an additional \$3,000 can be contributed.
- The maximum annual IRA contribution stays at \$6,000 plus \$1000 for anyone age 50 or older.
- Dollar ceilings on retirement plans increase to \$61,000 for defined contribution plans (Keogh plans, profit sharing plans, etc).
- Retirement plan contributions can be based on up to \$305,000 of salary.

FEDERAL HEALTH CARE ISSUES:

Health Care Premium Credits are still available, but at higher income thresholds. The 2022 Federal Poverty Level starts at \$13,590 for single taxpayers. For a family of four the base income level starts at \$27,750 Alaska and Hawaii are higher.

		ARCHER MSA AMOUNTS 2022	
<u>2022 Minimu</u>	<u>ım Deductible</u>	Maximum Deductible	<u>Max Out-of-Pocket</u>
Self Only	\$2,450	\$3,700	\$4,950
Family	\$4,950	\$7,400	\$9,050

Maximum employee salary reductions to health flexible spending arrangements (cafeteria plans) is \$2,850. Maximum carryover of unused contribution is \$570.00

HEALTH SAVINGS ACCOUNTS AMOUNTS 2022

2022 Minimum	HDHP Deductible
Self Only:	\$1,400.00
Family Plan	\$2,800.00

Individual

Out-of-Pocket \$7,050.00 \$14,100.00

2022 Maximum Annual Contribution Limits

\$3,650 Family \$7,300

"Catch-up" amount for 55+ account holders is \$1,000 (unchanged)

Eligible Long-Term Care Premiums. For taxable years beginning in 2022, the limitations under § 213(d)(10), regarding eligible long-term care premiums includible in the term "medical care," are as follows:

Attained Age Before the Close of the Taxable Year Limitation on Premiums

40 or less	\$ 450
Over 40 but not over 50	\$ 850
Over 50 but not over 60	\$1,690
Over 60 but not over 70	\$4,510
Over 70	\$5,640

QSEHRA-qualified small employer health reimbursement arrangements-signed into law on 12/14/16; via the CURES act. This allows certain small employers the ability to reimburse employees for health insurance premiums directly, without creating a taxable event for them. Limitations are \$5,450 per single individual coverage and \$11,050 for family health premium reimbursement. These are maximums for calendar year 2022

SECTION 179 ELECTION TO EXPENSE DEPRECIABLE ASSETS IS \$1,080,000 IN 2022. This number phases out as depreciable asset cost rises to \$2,700,000

2022 FEDERAL TAX TABLES

MARRIED FILING JOINT TAX RATE TABLE-FEDERAL 2022								
	TAXABLE INCOME	MARGINAL TAX RATE IS		P TO MAX TAX OF		TOTAL FEDERAL INCOME TAX		
IF TAXABLE INCOME IS NOT OVER	\$ 20,550.00	10.00%	\$	2,055.00	\$	2,055.00		
IF TAXABLE INCOME IS BETWEEN	\$ 20,551.00							
AND	\$ 83,550.00	12.00%	\$	7,559.88	\$	9,614.88		
IF TAXABLE INCOME IS BETWEEN	\$ 83,551.00	22.00%						
AND	\$ 178,150.00		\$	20,811.78	\$	30,426.66		
IF TAXABLE INCOME IS BETWEEN	\$ 178,151.00	24.00%						
AND	\$ 340,100.00		\$	38,867.76	\$	69,294.42		
IF TAXABLE INCOME IS BETWEEN	\$ 340,101.00	32.00%						
AND	\$ 431,900.00		\$	29,375.68	\$	98,670.10		
IF TAXABLE INCOME IS BETWEEN	\$ 431,901.00	35.00%						
AND	\$ 647,850.00		\$	75,582.15	\$	174,252.25		
IF TAXABLE INCOME IS OVER	\$ 647,851.00	37.00%				TO INFINITI		

HEAD	of hou	SEHOLD	D TAX RAT	TE TABL	E-F	EDERAL 2022		
		ABLE OME	MARGI TAX RA		I	UP TO MAX TAX OF	TOTAL FEDERA INCOME TAX	L
IF TAXABLE INCOME IS NOT OVER	\$ 14	,650.00	1	0.00%	\$	1,465.00	\$ 1,465.00	
IF TAXABLE INCOME IS BETWEEN	\$ 14	,651.00						
AND	\$ 55	,900.00	1:	2.00%	\$	4,949.88	\$ 6,414.88	
IF TAXABLE INCOME IS BETWEEN	\$ 55	,901.00						
AND	\$ 89	,050.00	22	2.00%	\$	7,292.78	\$ 13,707.66	
IF TAXABLE INCOME IS BETWEEN	\$ 89	,051.00						
AND	\$ 170	,050.00	24	4.00%	\$	19,439.76	\$ 33,147.42	
IF TAXABLE INCOME IS BETWEEN	\$ 170	,051.00						
AND	\$ 215	,950.00	33	2.00%	\$	14,687.68	\$ 47,835.10	
IF TAXABLE INCOME IS BETWEEN	\$ 215	,951.00						
AND	\$ 539	,900.00	3	5.00%	\$	113,382.15	\$ 161,217.25	
IF TAXABLE INCOME IS OVER	\$ 539	,901.00	3	7.00%			TO INFINITI	

SINGLE AND MA	RR	IED FILING S	EPARATE TAX F	RATE	TABLE-FEDER	AL 20	022
		TAXABLE INCOME	MARGINAL TAX RATE IS		UP TO MAX TAX OF		TOTAL FEDERAL INCOME TAX
IF TAXABLE INCOME IS NOT OVER	\$	10,275.00	10.00%	\$	1,027.50	\$	1,027.50
IF TAXABLE INCOME IS BETWEEN	\$	10,276.00					
AND	\$	41,775.00	12.00%	\$	3,779.88	\$	4,807.38
IF TAXABLE INCOME IS BETWEEN	\$	41,776.00					
AND	\$	89,075.00	22.00%	\$	10,405.78	\$	15,213.16
IF TAXABLE INCOME IS BETWEEN	\$	89,076.00					
AND	\$	170,050.00	24.00%	\$	19,433.76	\$	34,646.92
IF TAXABLE INCOME IS BETWEEN	\$	170,051.00					
AND	\$	215,950.00	32.00%	\$	14,687.68	\$	49,334.60
IF TAXABLE INCOME IS BETWEEN	\$	215,951.00					
AND	\$	323,926.00	35.00%	\$	37,791.25	\$	87,125.85
IF TAXABLE INCOME IS OVER	\$	323,926.00	37.00%				TO INFINITI

ESTATE AND TRUST TAX RATE TABLE-FEDERAL 2022								
		TAXABLE INCOME	MARGINAL TAX RATE IS	I	UP TO MAX TAX OF		TOTAL FEDERAL INCOME TAX	
IF TAXABLE INCOME IS NOT OVER	\$	2,750.00	10.00%	\$	275.00	\$	275.00	
IF TAXABLE INCOME IS BETWEEN	\$	2,751.00						
AND	\$	9,850.00	24.00%	\$	1,703.76	\$	1,978.76	
IF TAXABLE INCOME IS BETWEEN	\$	9,851.00						
AND	\$	13,450.00	35.00%	\$	1,259.65	\$	3,238.41	
IF TAXABLE INCOME IS OVER	\$	13,450.00	37.00%				TO INFINITI	

STATE OF ARIZONA ISSUES 2022

(NOTE ARIZONA DOES NOT RELEASE CURRENT YEAR ADJUSTMENTS UNTIL DECEMBER)

Married Filing Join

Single:

BASIC STANDARD DEDUCTIONS 2022

	\$12,950.00	
ntly:	\$25,900.00	

Married Filing Separate: \$12,950.00 Head of Household: \$19,400.00

NOTE: THE STANDARD DEDUCTION CAN BE INCREASED BY 27% OF THE CHARITABLE CONTRIBUTIONS AMOUNT THAT WOULD HAVE OTHERWISE BEEN CLAIMED ON FEDERAL SCHEDULE A IF TAXPAYER HAD ITEMIZED.

CHILD TAX CREDIT: AMOUNT IS \$100 FOR DEPENDENTS UNDER AGE 17. AMOUNT IS \$25 FOR DEPENDENTS OVER AGE 17. CREDIT DOES PHASE OUT ONCE FEDERAL AGI IS GREATER THAN \$200,000.

Extra-Curricular Tuition Credit(Fees paid to public schools(FORM 322) \$200 for single taxpayers \$400 for married taxpayers NOTE: CREDIT IS NONREFUNDABLE BUT CAN BE CARRIED FORWARD TO FUTURE TAX YEARS

Private Education Tuition Credit (Cash contributions to Private School Tuition Organizations(FORM 323): \$623 for single taxpayers \$1245 for married taxpayers NOTE: CREDIT IS NONREFUNDABLE BUT CAN BE CARRIED FORWARD TO FUTURE TAX YEARS

Certified School Tuition Organization (FORM 348)

\$620.00 single taxpayers; \$1238.00 for married taxpayers

ABOVE DONATIONS CAN BE MADE UP UNTIL APRIL 15TH, 2023 for credit on the 2022 tax return.

Affordable Housing Tax Credit(Form 354)NEW FOR 2022! This credit follows the Federal low-income housing tax credit and can be as high as 50% of the amount allowed under the federal credit program

2022 ARIZONA TAX TABLES

PLUS \$731.00

HEAD OF HOUSEHOLD OR MARRIED FILING JOINT TAX RATE TABLE-ARIZONA 2022		
TAX RATE		
IF TAXABLE INCOME IS BETWEEN 0 AND \$57,305.00	2.55%	
IF TAXABLE INCOME IS BETWEEN 57,306.00 AND INFINITY	2.98%	PLUS \$1,460.00