



**NEWS YOU CAN USE-2019 TAX FACTS**

**MILEAGE RATES FOR 2019:**

BUSINESS:	58 cents/mile
MEDICAL/MOVING:	20 cents/mile
CHARITABLE:	14 cents/mile

Kiddie Tax income exemption amount is \$2200.00. However Parents can elect to report their child's income on their return if the child's income is between \$1,100.00 and \$11,000.

- Social Security wage base is \$132,900 for 2019; Social Security checks went up 2.8% in 2019.
- Maximum wage earnings between ages 62 and 66 is increased to \$17,640 before repayment of social security benefits starts.
- Base Medicare premiums for 2019: \$135.50

**2019 BASIC STANDARD DEDUCTIONS:**

MFJ/SURVIVING SPOUSE:	\$24,400
HEAD OF HOUSEHOLD:	\$18,350
SINGLE/MJS:	\$12,200

ADDITIONAL DEDUCTION FOR BLIND/OVER AGE 65 TAXPAYERS: \$1,300.00(MFJ) OR \$1,650(SINGLE)

PERSONAL EXEMPTION AMOUNT FOR GROSS INCOME TEST: \$4,200.00

**2019 AMT EXEMPTION AMOUNTS:**

MFJ/SURVIVING SPOUSE:	\$111,700
UNMARRIED INDIVIDUALS:	\$ 71,700
MARRIED FILING SEPARATE:	\$ 55,850
ESTATES/TRUST:	\$ 25,000
CHILD SUBJECT TO KIDDIE TAX:	\$7,750 + EARNED INCOME

**LONG TERM CAPITAL GAINS TAX RATES AT -0-%, 15%, AND 20%:**

<b>FILING STATUS</b>	<b>-0 % RATE</b>	<b>15% RATE</b>	<b>20% RATE</b>
MARRIED/JOINT, QW	UP TO \$78,750	\$78,750 TO \$488,850	OVER \$488,850
SINGLE	UP TO \$39,375	\$39,375 TO \$434,550	OVER \$434,550
HEAD HOUSEHOLD	UP TO \$52,750	\$52,750 TO \$461,700	OVER \$461,700
MARRIED SEPARATE	UP TO \$39,375	\$39,375 TO \$244,425	OVER \$244,425
ESTATES/TRUST	UP TO \$2,650	\$2,650 TO \$12,950	OVER \$12,950



Keep in mind that the 23.8% Net Investment Income tax is still relevant. However 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.

**2019 QUALIFIED BUSINESS INCOME DEDUCTION) PHASE OUT:**

MARRIED FILING JOINT:	\$321,400
ALL OTHER FILERS:	\$160,725.

**BASIC PERSONAL INCOME TAX BRACKET AMOUNTS-2019**

**MFJ OR SURVIVING SPOUSES**

-0-	-	\$19,400	10%
\$19,401	-	\$78,950	12%
\$78,951	-	\$168,400	22%
\$168,401	-	\$321,450	24%
\$332,451	-	\$408,200	32%
\$408,201	-	\$612,350	35%
OVER \$612,350			37%

**SINGLE**

-0-	-	\$9,700	10%
\$9,701	-	\$39,475	12%
\$39,476	-	\$84,200	22%
\$84,201	-	\$160,725	24%
\$160,726	-	\$204,100	32%
\$204,101	-	\$510,300	35%
OVER \$510,300			37%

**HEAD OF HOUSEHOLD**

-0-	-	\$13,850	10%
\$13,851	-	\$52,850	12%
\$52,851	-	\$84,200	22%
\$84,201	-	\$160,700	24%
\$160,701	-	\$204,100	32%
\$204,101	-	\$510,300	35%
Over \$510,300			37%

**MARRIED FILING SEPARATE**

-0-	-	\$9,700	10%
\$9,701	-	\$39,475	12%
\$39,476	-	\$84,200	22%
\$84,201	-	\$160,725	24%
\$160,726	-	\$204,100	32%
\$204,101	-	\$306,175	35%
OVER \$306,175			37%

**FEDERAL ESTATE TAX EXCLUSION 2019: \$11,400,000-AND IT IS STILL PORTABLE!**

**ANNUAL GIFT TAX EXCLUSION: 2019: \$15,000**

**BASIC ESTATE AND TRUST TAX BRACKET AMOUNTS-2019**

**TAXABLE INCOME IS: THE TAX PERCENTAGE IS:**

Not over \$2,600	10%
\$2,601 to \$9,300	24%
9,301 to \$12,750	35%
Over \$12,750	37%

**SPECIAL NEEDS ADOPTION CREDIT: \$14,080-However this credit phases out at incomes exceeding \$211,160 to \$251,160.00.**

**FOREIGN EARNED INCOME EXCLUSION AMOUNT 2019: \$105,900**

### **2019 RETIREMENT PLAN CHANGES:**

- Effective January 1, 2019, the limitation on the annual benefit under a defined benefit plan under § 415(b)(1)(A) is increased from \$220,000 to \$225,000
- Maximum 401(k), 403(b), Thrift Savings Plan, and 457(e) (15) contributions: \$19,000.00. Individuals age 50 or older can contribute an additional \$6,000 for a total of \$25,000.00.
- SIMPLE IRA maximum contributions are \$13,000. If a participant is age 50 or older, then an additional \$3,000 can be contributed.
- The maximum annual IRA contribution is changed to \$6,000 plus \$1000 for anyone age 50 or older.
- Dollar ceilings on retirement plans increase to \$56,000 for defined contribution plans (Keogh plans, profit sharing plans, etc.).
- Retirement plan contributions can be based on \$280,000 of salary.

Under the **Tax Cuts and Jobs Act** tax years beginning after January 1, 2019 the penalty for not maintaining minimum essential coverage is removed.

### **OTHER FEDERAL HEALTH CARE ISSUES:**

Health Care Premium Credits are still available, but at higher income thresholds. The 2019 Federal Poverty Levels range from \$12,140 to \$48,560 for single taxpayers. For a family of four the income levels range from \$25,100 to \$100,400. These numbers are different if you live in Alaska or Hawaii. Low income people still don't qualify for any credits.

### **MEDICAL SAVINGS ACCOUNTS AMOUNTS 2019**

	<b><u>2019 Minimum Deductible</u></b>	<b><u>Maximum Deductible</u></b>	<b><u>Out-of-Pocket</u></b>
Self Only	\$2,350	\$3,500	\$4,650
Family	\$4,650	\$7,000	\$8,550

### **HEALTH SAVINGS ACCOUNTS AMOUNTS 2019**

	<b><u>2019 Minimum Deductible</u></b>	<b><u>Maximum Deductible</u></b>	<b><u>Out-of-Pocket</u></b>
Self Only	\$1,350.00		\$6,750.00
Family Plan	\$2,700.00		\$13,500.00

### **2019 Maximum Annual Contribution Limits**

- Individual \$3,500
- Family \$7,000
- Catch-up amount for 55+ account holders is \$1,000

### **Eligible Long-Term Care Premiums.**

For taxable years beginning in 2019, 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	\$420
Over 40 but not over 50	\$790
Over 50 but not over 60	\$1,580
Over 60 but not over 70	\$4,220
Over 70	\$5,270



**SECTION 179 ELECTION TO EXPENSE DEPRECIABLE ASSETS IS \$1,020,000 IN 2019. This number phases out as depreciable asset cost rises to \$2,550,000**

**STATE OF ARIZONA ISSUES:**

***BASIC STANDARD DEDUCTIONS - 2019:***

Single:	\$12,200.00	Married Filing Separate:	\$12,200.00
Married Filing Jointly:	\$24,400.00	Head of Household:	\$18,350.00

**PERSONAL EXEMPTIONS-removed as of 5/31/19**

**NEW: CHILD TAX CREDITS IN LIEU OF DEPENDENTS EXEMPTION; CREDIT AMOUNT IS \$100 FOR DEPENDENTS UNDER AGE 17. IT IS \$25 FOR DEPENDENTS OVER AGE 17. CREDIT DOES PHASE OUT ONCE FEDERAL AGI IS GREATER THAN \$200,000.**

**2019 ARIZONA TAX RATE SCHEDULE**

<u>SINGLE</u>	<u>INCOME</u>	<u>TAX</u>	<u>MARRIED</u>	<u>INCOME</u>	<u>TAX</u>
\$0	--\$26,500	2.59%	\$1	-- \$53000	2.59%
\$26,501	--\$53,000	3.34%	\$53,001	--\$106,000	3.34%
\$53,001	--\$159,000	4.17%	\$106,001	-- \$318,000	4.17%
ABOVE \$159,001		4.5%	ABOVE \$318,001		4.5%

Contributions or Fees Credit (public schools Form 322): \$200 for single taxpayers, \$400 for married filing joint  
 Private School Tuition Organization Credit (Form 323): \$569 for single taxpayers, \$1138 for married filing joint

Additionally taxpayers may contribute to a “Certified School Tuition Organization” once they have used all available dollar credit for the Private School Tuition Organization. The dollar amounts for that credit are:

Certified School Tuition Organization Credit (Form 348): \$566 for single taxpayers, \$1131 for married filing joint

The other major Arizona credits are:

Qualified Charitable Organization Credits: \$400 for single taxpayers, \$800 for married filing joint  
 Qualified Foster Care Organization Credit: \$500 for single taxpayers, \$1000 for married filing joint

All five of these credits can be taken, up to the taxpayer’s state liability. However they are not refundable above that amount. They can be carried forward and used on a future year Arizona tax obligation.

***OTHER QUESTIONS, ISSUES OR CONCERNS? REACH OUT TO US –WE ARE HERE TO HELP.***

***TAKE ADVANTAGE OF A-ADVANTAGE TAX AND FINANCIAL SERVICES!***