



Ordinary Income Tax

	If Taxable income				The marginal tax rate is		
	Is over		But not over				
	2020	2021	2020	2021	2020	2021	2026*
Married filing jointly and qualifying widow(er)s	\$0	\$0	\$19,750	\$19,900	10%	10%	10%
	\$19,750	\$19,900	\$80,250	\$81,050	12%	12%	15%
	\$80,250	\$81,050	\$171,050	\$172,750	22%	22%	25%
	\$171,050	\$172,750	\$326,600	\$329,850	24%	24%	28%
	\$326,600	\$329,850	\$414,700	\$418,850	32%	32%	32%
	\$414,700	\$418,850	\$622,050	\$628,300	35%	35%	35%
	\$622,050	\$628,300			37%	37%	37%
Single	\$0	\$0	\$9,875	\$9,950	10%	10%	10%
	\$9,875	\$9,950	\$40,125	\$40,525	12%	12%	15%
	\$40,125	\$40,525	\$85,525	\$86,375	22%	22%	25%
	\$85,525	\$86,375	\$163,300	\$164,925	24%	24%	28%
	\$163,300	\$164,925	\$207,350	\$209,425	32%	32%	32%
	\$207,350	\$209,425	\$518,400	\$523,600	35%	35%	35%
	\$518,400	\$523,600			37%	37%	37%

* brackets will be indexed for inflation, rates are set to increase in 2026 with the expiration of the rate cuts in the Tax Cut and Jobs Act (TCJA)

Important Thresholds and Limits

Type	LIMITATION	
	2020	2021
Standard Deduction (Single/Married Filing Jointly)	\$12,400 / \$24,800	\$12,550 / \$25,100
Additional Standard Deduction Age 65+ or Blind (Single/MFJ)	\$1,650 / \$1,300	\$1,700 / \$1,350
Maximum elective deferral to retirement plans, e.g., 401(k), 403(b), 457 (gov't and tax-exempt employers)	\$19,500	\$19,500
Catch-up contribution limit for 401(k), 403(b), and certain 457 plans (over age 50)	\$6,500	\$6,500
Limit on annual additions to defined contribution and SEP plans	\$57,000	\$58,000
Maximum annual compensation taken into account for contributions to retirement plans	\$285,000	\$290,000
Health flexible spending account (FSA) maximum salary reduction contribution (FSA)	\$2,750	\$2,750
Health savings accounts (HSA) contribution limits (individual coverage/family coverage)	\$3,550 / \$7,100	\$3,600 / \$7,200
HSA Catch-up contribution limit (over age 55)	\$1,000	\$1,000

Tax on LT capital gains and qualified dividends*

	If qualified income				The marginal tax rate is	
	Is over		But not over			
	2020	2021	2020	2021	2020	2021
Married filing jointly and qualifying widow(er)s	\$0	\$0	\$80,000	\$80,800	0%	0%
	\$80,000	\$80,800	\$496,600	\$501,600	15%	15%
	\$496,600	\$501,600			20%	20%
Single	\$0	\$0	\$40,000	\$40,400	0%	0%
	\$40,000	\$40,400	\$441,450	\$445,850	15%	15%
	\$441,450	\$445,850			20%	20%

*TCJA did not change the long-term capital gains rates. The income brackets are adjusted for inflation each year, however based on current tax law there will be no change in the rates when other TCJA changes expire

Additional 3.8% federal net investment income (NII) tax applies to individuals on the lesser of NII or modified AGI in excess of \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s).

Social Security

Base amount of modified AGI causing Social Security benefits to be taxable (no change from 2020)

Type	Up to 50% Taxable	Up to 85% taxable
Married filing jointly	\$32,001 - \$44,000	>\$44,000
Single	\$25,001 - \$34,000	>\$34,000

Maximum earnings before Social Security Benefits are reduced

Type	2020	2021
Under full retirement age (\$1 withheld for every \$2 above limit)	\$18,240	\$18,950
Full retirement age and over	No limit*	No limit*

*interim annual limit of \$50,520 applies for month prior to attaining full retirement age during year individual reaches full retirement age (\$1 withheld for every \$3 above limit)

Traditional and Roth IRAs

- Lesser of compensation or \$6,000
- Up to \$6,000 contribution can be made for nonworking spouse
- Catch-up contributions (age 50 and over): \$1,000
- **Deductibility**
Contributions to Roth IRAs are not deductible
- **Conversion eligibility**
There is no income restriction on eligibility for Roth IRA conversion. REMINDER: for taxpayers with non-deductible IRA contributions (form 8606) as well as traditional, SEP or SIMPLE IRA balances, pro-rata rules are applied when non-deductible IRA balances are converted.

Additional considerations for Roth IRAs

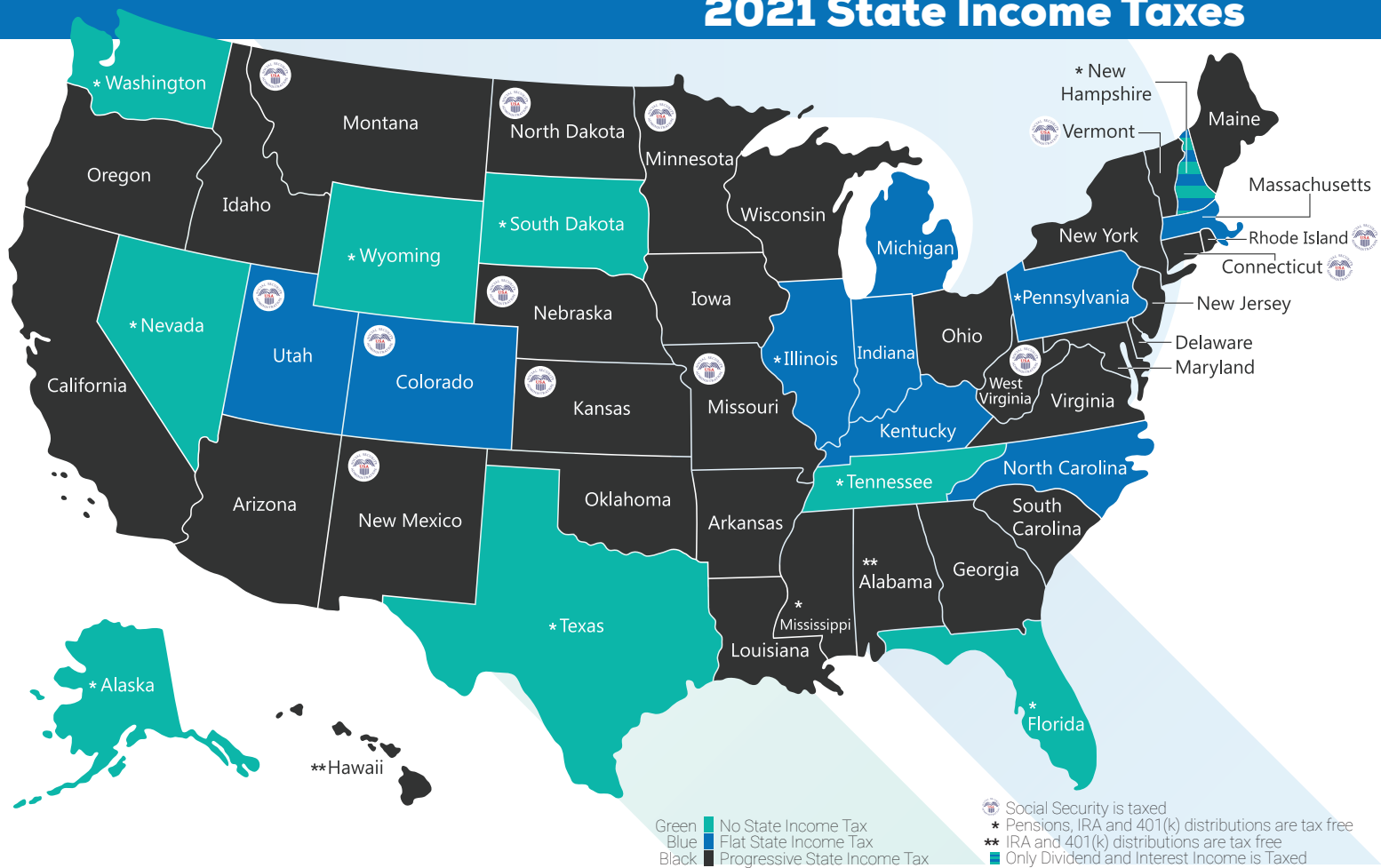
Contribution Eligibility

Type	Phase Out Begins		Phase Out Ends (no longer eligible)	
	2020	2021	2020	2021
Single	\$124,000	\$125,000	\$139,000	\$140,000
Married filing jointly	\$196,000	\$198,000	\$206,000	\$208,000

Bonus Information

- **Kiddie tax**
Child's unearned income above \$2,200 is generally subject to taxation at the parent's marginal tax rate; unearned income
- **Child Tax Credit**
2020
\$2,000 per "qualifying child" (who has not attained age 17 during the year); phased out as income exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,400 per child is refundable
2021
\$2,000 per "qualifying child" (who has not attained age 18 during the year); phased out as income exceeds \$400,000 (married/filing jointly) or \$200,000 (all other).
AND
\$1,000 per "qualifying child" (who has not attained the age of 18 during the year)
OR
\$1,600 per "qualifying child" (who has not attained the age of 6 during the year)
This additional credit is phased out as income exceeds \$150,000 (married/filing jointly) or \$75,000 (all other).
For 2021 many taxpayers were eligible for advance payments of up to 50% of the total eligible credit. Payments began in July 2021 and are paid monthly through December 2021.
- **Estate/Gift Exemptions (no change from 2020)**
Annual gift tax exclusion: individual, \$15,000; married electing split gifts, \$30,000. Combined lifetime gift tax and gross estate tax exemption: \$11,700,000 (exemption is portable)

2021 State Income Taxes



	Tax Rate Range	Top Bracket	Standard Deduction
Alabama	2%-5%	\$6,000	\$7,500
Alaska	None		
Arizona	2.59%-8%	\$500,000	\$25,100
Arkansas	2%-5.9%	\$8,000	\$4,400
California	1%-13.3%	\$1,198,024	\$9,202
Colorado	4.55%	\$0	\$25,100
Connecticut	3%-6.99%	\$1,000,000	None
Delaware	2.2%-6.6%	\$60,000	\$6,500
Florida	None		
Georgia	1%-5.75%	\$10,000	\$6,000
Hawaii	1.4%-11%	\$400,000	\$4,400
Idaho	1.125%-6.925%	\$23,520	\$25,100
Illinois	4.95%	\$0	None
Indiana	3.23%	\$0	None
Iowa	0.33%-8.53%	\$75,420	\$5,240
Kansas	3.1%-5.7%	\$60,000	\$7,500
Kentucky	5.00%	\$0	\$5,380
Louisiana	2%-6%	\$100,000	None
Maine	5.8%-7.15%	\$106,350	\$25,100
Maryland	2%-5.75%	\$300,000	\$4,650
Massachusetts	5.00%	\$0	None
Michigan	4.25%	\$0	None
Minnesota	5.35%-9.85%	\$276,200	\$25,050
Mississippi	3%-5%	\$10,000	\$4,600
Missouri	1.5%-5.4%	\$8,584	\$25,100

	Tax Rate Range	Top Bracket	Standard Deduction
Montana	1%-6.9%	\$18,700	\$9,580
Nebraska	2.46%-6.84%	\$64,430	\$14,200
Nevada	None		
New Hampshire	5.00%	\$0	None
New Jersey	1.4%-10.75%	\$1,000,000	None
New Mexico	1.7%-5.9%	\$315,000	\$25,100
New York	4%-8.82%	\$2,155,350	\$16,050
North Carolina	5.25%	\$0	\$21,500
North Dakota	1.1%-2.9%	\$440,600	\$25,100
Ohio	2.85%-4.797%	\$221,300	None
Oklahoma	0.5%-5%	\$12,200	\$12,700
Oregon	4.75%-9.9%	\$250,000	\$4,630
Pennsylvania	3.07%	\$0	None
Rhode Island	3.75%-5.99%	\$150,550	\$18,100
South Carolina	0%-7%	\$15,400	\$25,100
South Dakota	None		
Tennessee	None		
Texas	None		
Utah	4.95%	\$0	\$1,506 (credit)
Vermont	3.35%-8.75%	\$248,350	\$12,500
Virginia	2%-5.75%	\$17,000	\$9,000
Washington	None		
West Virginia	3%-6.5%	\$60,000	None
Wisconsin	3.54%-7.65%	\$355,910	\$20,470
Wyoming	None		
D.C.	4%-8.95%	\$100,000	\$25,100

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