



HIGHTOWER

Clarity Point Financial Partners

2021 Tax Reference Guide

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2021 Tax Brackets

Single	
0 - 9,950	10%
9,951 - 40,525	12%
40,526 - 86,375	22%
86,376 - 164,925	24%
164,926 - 209,425	32%
209,426 - 523,600	35%
523,601 or more	37%

Head of Household	
0 - 14,200	10%
14,201 - 54,200	12%
54,201 - 86,350	22%
86,351 - 164,900	24%
164,901 - 209,400	32%
209,401 - 523,600	35%
523,601 or more	37%

Married, Filing Jointly	
0 - 19,900	10%
19,901 - 81,050	12%
81,051 - 172,750	22%
172,751 - 329,850	24%
329,851 - 418,850	32%
418,851 - 628,300	35%
628,301 or more	37%

Married Filing Separately	
0 - 9,950	10%
9,951 - 40,525	12%
40,526 - 86,375	22%
86,376 - 164,925	24%
164,926 - 209,425	32%
209,426 - 314,150	35%
314,151 or more	37%

Long-Term Capital Gains Rate	
If taxable income falls below \$40,400 (single/married-filing separately), \$80,800 (joint), \$54,100 (head of household), \$2,700 (estates/trusts)	0%
If taxable income falls at or above \$40,401 (single/married-filing separately), \$80,801 (joint), \$54,101 (head of household), \$2,701 (estates/trusts)	15%
If taxable income falls at or above \$445,850 (single), \$501,600 (joint), \$473,750 (head of household), \$250,800 (married filing separately), \$13,250 (estates/trusts)	20%
Collectibles (coins, art, antiques)	28%
Unrecaptured gain on real estate	25%

Standard Deductions	
Married, Filing Jointly & Surviving Spouse	25,100
Head of Household	18,800
Single & Married, Filing Separately	12,550
Blind or Over 65 - Married	1,350
Blind or Over 65 - Single	1,700

Alternative Minimum Tax (AMT) Exemptions	Amount	Phase Out Begins
Married, Filing Jointly & Surviving Spouse	114,600	1,047,200
Single & Head of Household	73,600	523,600
Married, Filing Separately	57,300	523,600
Estates and Trusts	25,700	85,650

Itemized Deductions	
Medical Expenses	Excess of 7.5% AGI
State & Local Tax Deductions	10,000
Mortgage Interest Deduction Limit	Up to 750,000 indebtedness
Mortgage Interest Deduction Limit (made prior to 12/15/2017)	Up to 1,000,000 indebtedness

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Mileage Deductions	
Business Mileage Rate	\$0.56
Medical & Moving Mileage Rate	\$0.16
Charitable Mileage Rate	\$0.14

Estates, Trusts & Kiddie Tax	
0 - 2,650	10%
2,651 - 9,550	24%
9,551 - 13,050	35%
13,051 or more	37%
Estate Exemption Amount	\$600
Simple Trust Exemption Amount	\$300
Complex Trust Exemption Amount	\$100
Kiddie Tax Exemption Amount	\$1,100

Estate & Gift Taxes	
Estate Tax Exclusion Amount (per individual)	\$11.7M
Gift Tax Exclusion Amount	\$15,000
Max. Transfer Tax Rate	40%

Social Security	
Social Security Wage Base	\$142,800

Temporary Changes from COVID-19 Relief Bill:

- Charitable Deductions limitation increased from 60% to 100% of AGI
- Non-itemizers can deduct \$300 (single), \$600 (MFJ) above-the-line (2021)
- Business meals 100% deductible (2021 & 2022)
- FSA balances remaining roll forward to 2021 & 2022



2021 Tax Brackets Contd.

Retirement Plans	
IRA and Roth Contributions	
Under age 50	6,000
Age 50 and over	7,000
401(k) and 403(b)	
Under age 50	19,500
Age 50 and over	26,000
SEP Contribution	
Up to 25% of compensation, limit	58,000
SIMPLE Elective Deferral	
Under age 50	13,500
Age 50 and over	16,500
Phase-Out for deducting IRA (MAGI Limit)	
Contribution (qualified plan participant)	
Married, Filing Jointly	105,000 - 125,000
Single	66,000 - 76,000
Spousal IRA	198,000 - 208,000
Phase-Out of Roth Contribution Eligibility (AGI Limit)	
Married, Filing Jointly	198,000 - 208,000
Single	125,000 - 140,000
Health Saving Account Maximum Contributions	
Single	3,600
Family	7,200
Catch-up Provision	1,000

Affordable Care Act Tax Provisions	
Net Investment Income Tax (aka Medicare Surtax) Individual filers will pay an additional 3.8% on Net Investment Income (NII) above certain "Modified Adjusted Gross Income" thresholds (see table below).	
Additional Medicare Tax (aka Hospital Insurance Tax) An additional 0.9% Medicare Tax will apply to wages and compensation, as well as self-employment income above certain "earned income" thresholds (see table below).	
Filing Status	Threshold
Married, Filing Jointly & Qualifying Widow(er) w/dependent child	250,000
Married, Filing Separately	125,000
Single & Head of Household	200,000

All wages that are currently subject to Medicare Tax are subject to Additional Medicare Tax if they are paid in excess of the applicable threshold for an individual's filing status.

Qualified Business Income Deduction		
Flow Through S-Corp, Partnership and Sole Proprietorship		
Taxable Income	Qualified Trade or Business	Specified Service Trade or Business
Less than or equal to: \$164,900 (single) \$329,800 (joint)	20% of QBI, no W-2 limit applied	20% of QBI, no W-2 limit applied
Between: \$164,900 - \$214,900 (single) \$329,800 - \$429,800 (joint)	20% deduction subject to phase-in of the W-2 Limit	20% deduction subject to phase out, W-2 limit phased in
Greater than: \$214,900 (single) \$429,800 (joint)	The lesser of (1) 20% of QBI or (2) the greater of (a) 50% of W-2 wages or (b) 25% of W-2 wages plus 2.5% of qualified property	Completely Phased Out

Education	
529 Plan Contributions (annual exclusion)	15,000
Accelerate 5 years of gifting into 1 year	
Individual	75,000
Joint	150,000
American Opportunity Credit	Up to 2,500*
Lifetime Learning Credit	Up to 20% of the first \$10,000 of qualified expenses*
Coverdell Education Savings Contribution	2,500
Student Loan Interest Deduction	Up to 2,500

**Both credits will phase out from 80-90k for single filers and 160-180 for joint filers.*

Child Tax Credit	
Child Tax Credit	2,000
Qualifying Dependent Tax Credit (per dependent)	500
Phase-Out Range (Single)	200,000 of MAGI
Phase-Out Range (Married, Filing Jointly)	400,000 of MAGI
Maximum Refundable Amount	1,400