

Tax Rates

2021 Individual Tax Rates

Unmarried Individuals (other than surviving spouses and heads of households)	
Taxable Income	2021 Tax
Not over \$9,950	10% of taxable income
Over \$9,950 but not over \$40,525	\$995 plus 12% of the amount over \$9,950
Over \$40,525 but not over \$86,375	\$4,664 plus 22% of the amount over \$40,525
Over \$86,375 but not over \$164,925	\$14,751 plus 24% of the amount over \$86,375
Over \$164,925 but not over \$209,425	\$33,603 plus 32% of the amount over \$164,925
Over \$209,425 not over \$523,600	\$47,843 plus 35% of the amount over \$209,425
Over \$523,600	\$157,804.25 plus 37% of the amount over \$523,600

Married Individuals Filing Joint Returns, & Surviving Spouses	
Taxable Income	2021 Tax
Not over \$19,900	10% of taxable income
Over \$19,900 but not over \$81,050	\$1,990 plus 12% of the amount over \$19,900
Over \$81,050 but not over \$172,750	\$9,328 plus 22% of the amount over \$81,050
Over \$172,750 but not over \$329,850	\$29,502 plus 24% of the amount over \$172,750
Over \$329,850 but not over \$418,850	\$67,206 plus 32% of the amount over \$329,850
Over \$418,850 but not over \$628,300	\$95,686 plus 35% of the amount over \$418,850
Over \$628,300	\$168,993.50 plus 37% of the amount over \$628,300

Heads of Households	
Taxable Income	2021 Tax
Not over \$14,200	10% of taxable income
Over \$14,200 but not over \$54,200	\$1,420 plus 12% of the amount over \$14,200
Over \$54,200 but not over \$86,350	\$6,220 plus 22% of the amount over \$54,200
Over \$86,350 but not over \$164,900	\$13,293 plus 24% of the amount over \$86,350
Over \$164,900 but not over \$209,400	\$32,145 plus 32% of the amount over \$164,900
Over \$209,400 not over \$523,600	\$46,385 plus 35% of the amount over \$209,400
Over \$523,600	\$156,355 plus 37% of the amount over \$523,600

Married Individuals Filing Separate Returns	
Taxable Income	2021 Tax
Not over \$9,950	10% of taxable income
Over \$9,950 but not over \$40,525	\$995 plus 12% of the amount over \$9,950
Over \$40,525 but not over \$86,375	\$4,664 plus 22% of the amount over \$40,525
Over \$86,375 but not over \$164,925	\$14,751 plus 24% of the amount over \$86,375
Over \$164,925 but not over \$209,425	\$33,603 plus 32% of the amount over \$164,925
Over \$209,425 not over \$314,150	\$47,843 plus 35% of the amount over \$209,425
Over \$314,150	\$84,496.75 plus 37% of the amount over \$314,150

2021 C Corporation Tax Rates

Taxable Income	2021 Tax
Any Amount of Income	21%

2021 Estates & Trusts Tax Rates

Taxable Income	2021 Tax
Not over \$2,650	10% of the taxable income
Over \$2,650 but not over \$9,550	\$265 plus 24% of the excess over \$2,650
Over \$9,550 but not over \$13,050	\$1,921 plus 35% of excess over \$9,550
Over \$13,050	\$3,146 plus 37% of the excess over \$13,050

Social Security & Medicare

	Self-Employed	Employee
SS Tax Rate	12.4%	6.2%
Max Wages Subject to SS	\$154,629*	\$142,800
Med. Tax Rate	2.9%	1.45%
Additional Medicare Tax of 0.9%	Married Filing Joint – MAGI > \$250,000 Married Filing Separate – > \$125,000 Others – > \$200,000	

*The reason for the higher number is that only 92.35% of your net profits are taxed at 12.4%, and the \$142,800 threshold is after application of the 92.35%.

2021 Capital Gain Rates

Capital Asset	Holding Period	Tax Rate
Short-term capital gains.	One year or less.	Ordinary income tax rates, up to 37%.
Long-term capital gains.	More than one year.	Taxpayers with income below the 15% rate threshold below, pay 0%. The following are the income thresholds for 15% and 20% rates.
		<u>Married Filing Jointly:</u> 15% Rate - \$80,801 - \$501,600 20% Rate - over \$501,600
		<u>Married Filing Separately:</u> 15% Rate - \$40,401 - \$250,800 20% Rate - over \$250,800
		<u>Head of Household:</u> 15% Rate - \$54,101 - \$473,750 20% Rate - over \$473,750
		<u>Unmarried Individuals:</u> 15% Rate - \$40,401 - \$445,850 20% Rate - over \$445,850
Collectibles.	More than one year.	28%.
Section 1202 qualified small business stock.	More than five years.	28%.
Unrecaptured §1250 Gain, (gains on real property attributable to straight-line depreciation).	More than one year.	25%.

Vehicles

2021 Standard Mileage Rates

IRS Mileage Rate (in cents per mile)	
Business	56.0
Charitable	14.0
Medical & Moving	16.0
Depreciation	26.0

Personal Deductions

2021 Standard Deduction

Filing Status	Standard Deduction
Unmarried Individuals	\$12,550
Married Individuals Filing Separate Returns	\$12,550
Heads of Households	\$18,800
Married Individuals Filing Joint Returns & Surviving Spouses	\$25,100
Dependents	\$12,550
Additional Amount for Aged & Blind	Married Filing Jointly - \$1,350 Single or Head of Household - \$1,700

2021 Personal Exemptions

Per Individual

No Longer Applicable

DEPRECIATION LIMITS FOR PASSENGER VEHICLES PLACED IN SERVICE IN 2021

	With Bonus Depreciation	No Bonus Depreciation
Tax Year	Amount	Amount
1st Tax Year	\$18,200	\$10,200
2nd Tax Year	\$16,400	\$16,400
3rd Tax Year	\$9,800	\$9,800
Each Succeeding Year	\$5,860	\$5,860

Retirement Plans 2021

IRA contribution (under age 50)	\$6,000	
IRA contribution (50 and older)	\$7,000	
IRA deductibility phase-out (based on MAGI)		
Participants in employer plans		
Single or Head of Household	\$66,000 - \$76,000	
Married, filing jointly	\$105,000 - \$125,000	
Married, filing separately	\$0 - \$10,000	
Nonparticipants in employer plans		
Nonparticipant married to a participant	\$198,000 - \$208,000	
Neither spouse a participant	Fully deductible	
Phase out of Roth IRA contribution eligibility		
Single	\$125,000 - \$140,000	
Married, filing jointly	\$198,000 - \$208,000	
Retirement Plan	Max Employee Contribution	Max Employer Contribution
SEP	N/A	25% of wages or 20% of net self-employment income, max of \$58,000
SIMPLE IRA	\$13,500*	N/A
401(k)	\$19,500**	25% of wages***

*\$16,500 if 50 or older

**\$26,000 if 50 or older

***Combined maximum of employee and employer contributions is \$58,000 in 2021