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2021 | Depreciation Key Facts and Figures

ANNUAL CODE SEC. 280F "LUXURY CAR" LIMITS

CARS				
Placed-in-Service Year	1st Year	2nd Year	3rd Year	4th Year & Later
2019 - 2020	18,100**/10,100	16,100	9,700	5,760
2018	18,000**/10,000	16,000	9,600	5,760
2012 - 2017	11,160**/3,160	5,100	3,050	1,875

* Higher limit applies if bonus depreciation claimed.

TRUCKS AND VANS*

Placed-in-Service Year	1st Year	2nd Year	3rd Year	4th Year & Later
2019 - 2020	18,100**/10,100	16,100	9,700	5,760
2018	18,000**/10,000	16,000	9,600	5,760
2017	11,560**/3,560	5,700	3,450	2,075
2016	11,560**/3,560	5,700	3,350	2,075
2015	11,460**/3,460	5,600	3,350	1,975

* If a truck (including SUV) or van exceeds 6,000 pounds GVWR it is not subject to the caps. A \$25,000 section 179 limit applies to SUVs, trucks with bed-length under 6', and vans with a seating capacity of less than 10 persons behind driver's seat if the vehicle is exempt from the caps. The cap increases to \$25,500 for vehicles placed in service in tax years beginning in 2019, \$25,900 for 2020, and \$26,200 for 2021.

** Higher limit applies if bonus depreciation claimed.

STANDARD MILEAGE RATES

Year	Business	Medical/Moving	Charitable	Basis Adjustment
2021	56	16*	14*	26
2020	57.5	17*	14*	27
2019	58	20*	14	26
2018	54.5	18*	14	25

* Moving expense deduction is repealed, effective for tax years beginning after 2017 and before 2026, except for members of U.S. Armed Forces.

DECLINING BALANCE RATES*

Property Class	Method	DB Rate	Year of Switch to SL Method
3-Year	200% DB	66.67%	3rd
3-Year	150% DB	50.00%	2nd
5-Year	200% DB	40.00%	5th
5-Year	150% DB	30.00%	4th
7-Year	200% DB	28.57%	6th
7-Year	150% DB	21.43%	4th
10-Year	200% DB	20.00%	7th
10-Year	150% DB	15.00%	5th
15-Year	150% DB	10.00%	7th
20-Year	150% DB	7.50%	9th

* These rates are used to compute depreciation if the optional table percentages are not used.

BONUS DEPRECIATION RATES*

Placed-In-Service	Rate
2012 - Sept. 27, 2017	50%
Sept. 28, 2017 - 2022	100%
2023	80%
2024	60%
2025	40%
2026	20%
2027	0%

* Property acquired before Sept. 28, 2017 and placed in service after September 27, 2017 qualifies for 50 percent rate if placed in service in 2017, 40 percent in 2018, and 30 percent in 2019.

CODE SEC. 179 EXPENSING

Tax Years Beginning in:	Dollar Limitation	Investment Limitation
2021	\$1,050,000	\$2,620,000
2020	\$1,040,000	\$2,590,000
2019	\$1,020,000	\$2,550,000
2018	\$1,000,000	\$2,500,000
2017	\$510,000	\$2,030,000

ASSETS WITH SPECIAL DEPRECIATION PERIODS

Asset Type	Recovery Period		Applies to Property Placed In Service
	GDS	ADS	
Qualified leasehold improvement property*	15	39	before 2018
Qualified retail improvement property*	15	39	before 2018
Qualified restaurant improvement property*	15	39	before 2018
Qualified restaurant buildings*	15	39	before 2018
Qualified improvement property*	15	20	after 2017
New farm machinery	5	10	after 2017

* Straight line method must be used.

DEPRECIATION PERIODS FOR COMMON ASSETS & BUSINESSES*

	GDS	ADS
Automobiles, taxis, trucks (light general purpose)	5	5
Breeding cattle and dairy (purchased)	5	7
Buses	5	9
Calculators, copiers, accounting machines	5	6
Computers and peripheral equipment	5	5
Farm buildings	20	25
Land improvements such as shrubbery, fences, roads, and bridges not specifically included in another business asset class	15	20
Nonresidential real property placed in service after May 12, 1993	39	40
Nonresidential real property placed in service before May 13, 1993	31.5	40
Office furniture and fixtures such as desks, files, safes, communications equipment	7	10
Research and experimentation property	5	Class life
Residential rental property placed in service after 2017	27.5	30
Residential rental property placed in service before 2018	27.5	40
Retail motor fuel outlets	15	20
Service station buildings and land improvements used in marketing petroleum products	15	20
Single purpose agricultural or horticultural structures	10	15
Tractor units for over-the-road use	3	4
Trailers and trailer mounted containers	5	6
Trees or vines bearing fruits or nuts placed in service after 1988	10	20
Trucks (heavy general purpose)	5	6
Vessels, barges, tugs and similar water transportation equipment not used in marine construction	10	18
Property not described above used in a business relating to the provision of personal or professional services or in a wholesale or retail trade or business	5	9
Property not described above used in the provision of entertainment services upon payment of a fee or admission charged	7	10

* See Rev. Proc. 87-56 for comprehensive asset classification list.

OPTIONAL TABLE PERCENTAGES*

Half-Year Convention																					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
3-Year Property	33.33	44.45	14.81	7.41																	
5-Year Property	20.00	32.00	19.20	11.52	11.52	5.76															
7-Year Property	14.29	24.49	17.49	12.49	8.93	8.92	8.93	4.46													
10-Year Property	10.00	18.00	14.40	11.52	9.22	7.37	6.55	6.55	6.56	6.55	3.28										
15-Year Property	5.00	9.50	8.55	7.70	6.93	6.23	5.90	5.90	5.91	5.90	5.91	5.90	5.91	5.90	5.91	2.95					
20-Year Property	3.750	7.219	6.677	6.177	5.713	5.285	4.888	4.522	4.462	4.461	4.462	4.461	4.462	4.461	4.462	4.461	4.462	4.461	4.462	4.461	2.231

Mid-Quarter Convention																					
Property Placed in Service in First Quarter																					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
3-Year Property	58.33	27.78	12.35	1.54																	
5-Year Property	35.00	26.00	15.60	11.01	11.01	1.38															
7-Year Property	25.00	21.43	15.31	10.93	8.75	8.74	8.75	1.09													
10-Year Property	17.50	16.50	13.20	10.56	8.45	6.76	6.55	6.55	6.56	6.55	0.82										
15-Year Property	8.75	9.13	8.21	7.39	6.65	5.99	5.90	5.91	5.90	5.91	5.90	5.91	5.90	5.91	5.90	0.74					
20-Year Property	6.563	7.000	6.482	5.996	5.546	5.130	4.746	4.459	4.459	4.459	4.459	4.460	4.459	4.460	4.459	4.460	4.459	4.460	4.459	4.460	0.565

Property Placed in Service in Second Quarter																					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
3-Year Property	41.67	38.89	14.14	5.30																	
5-Year Property	25.00	30.00	18.00	11.37	11.37	4.26															
7-Year Property	17.85	23.47	16.76	11.97	8.87	8.87	8.87	3.34													
10-Year Property	12.50	17.50	14.00	11.20	8.96	7.17	6.55	6.55	6.56	6.55	2.46										
15-Year Property	6.25	9.38	8.44	7.59	6.83	6.15	5.91	5.90	5.91	5.90	5.91	5.90	5.91	5.90	5.91	2.21					
20-Year Property	4.688	7.148	6.612	6.116	5.658	5.233	4.841	4.478	4.463	4.463	4.463	4.463	4.463	4.463	4.463	4.462	4.463	4.462	4.463	4.462	1.673

Property Placed in Service in Third Quarter																					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
3-Year Property	25.00	50.00	16.67	8.33																	
5-Year Property	15.00	34.00	20.40	12.24	11.30	7.06															
7-Year Property	10.71	25.51	18.22	13.02	9.30	8.85	8.86	5.53													
10-Year Property	7.50	18.50	14.80	11.84	9.47	7.58	6.55	6.55	6.56	6.55	4.10										
15-Year Property	3.75	9.63	8.66	7.80	7.02	6.31	5.90	5.90	5.91	5.90	5.91	5.90	5.91	5.90	5.91	3.69					
20-Year Property	2.813	7.289	6.742	6.237	5.769	5.336	4.936	4.566	4.460	4.460	4.460	4.460	4.461	4.460	4.461	4.460	4.461	4.460	4.461	4.460	2.788

Property Placed in Service in Fourth Quarter																					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
3-Year Property	8.33	61.11	20.37	10.19																	
5-Year Property	5.00	38.00	22.80	13.68	10.94	9.58															
7-Year Property	3.57	27.55	19.68	14.06	10.04	8.73	8.73	7.64													
10-Year Property	2.50	19.50	15.60	12.48	9.98	7.99	6.55	6.55	6.56	6.55	5.74										
15-Year Property	1.25	9.88	8.89	8.00	7.20	6.48	5.90	5.90	5.90	5.91	5.90	5.91	5.90	5.91	5.90	5.17					
20-Year Property	0.938	7.430	6.872	6.357	5.880	5.439	5.031	4.654	4.458	4.458	4.458	4.458	4.458	4.458	4.458	4.458	4.458	4.459	4.458	4.459	3.901

* The optional table percentages for 3-, 5-, 7-, and 10-year property are based on the 200% DB method. The percentages for 15- and 20-year property are based on the 150% DB method.

39 YEAR NON-RESIDENTIAL REAL PROPERTY (PLACED IN SERVICE AFTER MAY 12, 1993)

Month Placed in Service												
Recovery Year	1	2	3	4	5	6	7	8	9	10	11	12
1st	2.461	2.247	2.033	1.819	1.605	1.391	1.177	0.963	0.749	0.535	0.321	0.107
2nd-39th	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564	2.564
40th	0.107	0.321	0.535	0.749	0.963	1.177	1.391	1.605	1.819	2.033	2.247	2.461

31.5 YEAR NON-RESIDENTIAL REAL PROPERTY (PLACED IN SERVICE BEFORE MAY 13, 1993)

Month Placed in Service												
Recovery Year	1	2	3	4	5	6	7	8	9	10	11	12
1st	3.042	2.778	2.513	2.249	1.984	1.720	1.455	1.190	0.926	0.661	0.397	0.132
2nd-7th	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175
8th	3.175	3.174	3.175	3.174	3.175	3.174	3.175	3.175	3.175	3.175	3.175	3.175
9th-31th (odd)	3.174	3.175	3.174	3.175	3.174	3.175	3.174	3.175	3.174	3.175	3.174	3.175
10th-30th (even)	3.175	3.174	3.175	3.174	3.175	3.174	3.175	3.174	3.175	3.174	3.175	3.174
32th	1.720	1.984	2.249	2.513	2.778	3.042	3.175	3.174	3.175	3.174	3.175	3.174
33th	0.000	0.000	0.000	0.000	0.000	0.000	0.132	0.397	0.661	0.926	1.190	1.455

27.5 YEAR RESIDENTIAL RENTAL PROPERTY

Month Placed in Service												
Recovery Year	1	2	3	4	5	6	7	8	9	10	11	12
1st	3.485	3.182	2.879	2.576	2.273	1.970	1.667	1.364	1.061	0.758	0.455	0.152
2nd-9th	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636
10th-26th (even)	3.637	3.637	3.637	3.637	3.637	3.637	3.636	3.636	3.636	3.636	3.636	3.636
11th-27th (odd)	3.636	3.636	3.636	3.636	3.636	3.636	3.637	3.637	3.637	3.637	3.637	3.637
28th	1.970	2.273	2.576	2.879	3.182	3.485	3.636	3.636	3.636	3.636	3.636	3.636
29th	0.000	0.000	0.000	0.000	0.000	0.000	0.152	0.455	0.758	1.061	1.364	1.667

DEPRECIATION RECAPTURE*

Property Type	Recapture Percentage
Section 1245 property	100%
MACRS residential and nonresidential real property	None
Bonus depreciation claimed on section 1250 property	Bonus in excess of SL
179 expense claimed on qualified real property	100%
ACRS 15-, 18-, and 19-year nonresidential real property depreciated using an accelerated method is treated as section 1245 property	100%
Other ACRS 15-, 18-, and 19-year real property is now fully depreciated section 1250 property	None

* Ordinary income recapture applies to extent of gain. Section 179 allowance and bonus depreciation are treated as depreciation subject to recapture.

Unrecaptured depreciation on section 1250 property owned by individuals, estates, or trusts is subject to a 25% tax rate.



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2021 Federal Tax Key Facts and Figures

INCOME TAXES

2020				2021			
If Taxable Income Is:				If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over	Over	But Not More Than	The Tax Is	Of the Amount Over
Married Filing Jointly:				Married Filing Jointly:			
\$0	\$19,750	\$0 + 10%	\$0	\$0	\$19,900	\$0 + 10%	\$0
19,750	80,250	1,975.00 + 12%	19,750	19,900	81,050	1,990.00 + 12%	19,900
80,250	171,050	9,235.00 + 22%	80,250	81,050	172,750	9,328.00 + 22%	81,050
171,050	326,600	29,211.00 + 24%	171,050	172,750	329,850	29,502.00 + 24%	172,750
326,600	414,700	66,543.00 + 32%	326,600	329,850	418,850	67,206.00 + 32%	329,850
414,700	622,050	94,735.00 + 35%	414,700	418,850	628,300	95,686.00 + 35%	418,850
622,050		167,307.50 + 37%	622,050	628,300		168,993.50 + 37%	628,300
Married Filing Separately:				Married Filing Separately:			
\$0	\$9,875	\$0 + 10%	\$0	\$0	\$9,950	\$0 + 10%	\$0
9,875	40,125	987.50 + 12%	9,875	9,950	40,525	995.00 + 12%	9,950
40,125	85,525	4,617.50 + 22%	40,125	40,525	86,375	4,664.00 + 22%	40,525
85,525	163,300	14,605.50 + 24%	85,525	86,375	164,925	14,751.00 + 24%	86,375
163,300	207,350	33,271.50 + 32%	163,300	164,925	209,425	33,603.00 + 32%	164,925
207,350	311,025	47,367.50 + 35%	207,350	209,425	314,150	47,843.00 + 35%	209,425
311,025		83,653.75 + 37%	311,025	314,150		84,496.75 + 37%	314,150
Head of Household:				Head of Household:			
\$0	\$14,100	\$0 + 10%	\$0	\$0	\$14,200	\$0 + 10%	\$0
14,100	53,700	1,410.00 + 12%	14,100	14,200	54,200	1,420.00 + 12%	14,200
53,700	85,500	6,162.00 + 22%	53,700	54,200	86,350	6,220.00 + 22%	54,200
85,500	163,300	13,158.00 + 24%	85,500	86,350	164,900	13,293.00 + 24%	86,350
163,300	207,350	31,830.00 + 32%	163,300	164,900	209,400	32,145.00 + 32%	164,900
207,350	518,400	45,926.00 + 35%	207,350	209,400	523,600	46,385.00 + 35%	209,400
518,400		154,793.50 + 37%	518,400	523,600		156,355.00 + 37%	523,600
Single:				Single:			
\$0	\$9,875	\$0 + 10%	\$0	\$0	\$9,950	\$0 + 10%	\$0
9,875	40,125	987.50 + 12%	9,875	9,950	40,525	995.00 + 12%	9,950
40,125	85,525	4,617.50 + 22%	40,125	40,525	86,375	4,664.00 + 22%	40,525
85,525	163,300	14,605.50 + 24%	85,525	86,375	164,925	14,751.00 + 24%	86,375
163,300	207,350	33,271.50 + 32%	163,300	164,925	209,425	33,603.00 + 32%	164,925
207,350	518,400	47,367.50 + 35%	207,350	209,425	523,600	47,843.00 + 35%	209,425
518,400		156,235.00 + 37%	518,400	523,600		157,804.25 + 37%	523,600
Estates and Trusts:				Estates and Trusts:			
\$0	\$2,600	\$0 + 10%	\$0	\$0	\$2,650	\$0 + 10%	\$0
2,600	9,450	260.00 + 24%	2,600	2,650	9,550	265.00 + 24%	2,650
9,450	12,950	1,904.00 + 35%	9,450	9,550	13,050	1,921.00 + 35%	9,550
12,950		3,129.00 + 37%	12,950	13,050		3,146.00 + 37%	13,050

OTHER TAX RATES

Long-Term Capital Gains and Qualified Dividends Tax Rates for Taxpayers with Taxable Income in the Specified Ranges*			
2020	0%	15%	20%
MFJ/SS	\$0 - \$80,000	\$80,001 - \$496,600	over \$496,600
MFS	\$0 - \$40,000	\$40,001 - \$248,300	over \$248,300
HoH	\$0 - \$53,600	\$53,601 - \$469,050	over \$469,050
Single	\$0 - \$40,000	\$40,001 - \$441,450	over \$441,450
E&T	\$0 - \$2,650	\$2,651 - \$13,150	over \$13,150
2021	0%	15%	20%
MFJ/SS	\$0 - \$80,800	\$80,801 - \$501,600	over \$501,600
MFS	\$0 - \$40,400	\$40,401 - \$250,800	over \$250,800
HoH	\$0 - \$54,100	\$54,101 - \$473,750	over \$473,750
Single	\$0 - \$40,400	\$40,401 - \$445,850	over \$445,850
E&T	\$0 - \$2,700	\$2,701 - \$13,250	over \$13,250
* Short-term gain taxed at ordinary rates.			
* Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers).			
Kiddie Tax			
* Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$11,000 in 2020 or \$11,000 in 2021 – use Form 8814 with parent's return.			
* If child files own return – use Form 8615 with child's return to calculate tax at parent's marginal rate.			
2020	2021		
First	\$1,100	\$1,100	No Tax
Next	\$1,100	\$1,100	Taxed at child's marginal rate
Amount Over	\$2,200	\$2,200	Taxed at parent's marginal rate
AMT Rates for Individuals			
		AMTI Threshold	AMT Rate
		2020	2021
Single, MFJ, HoH	\$0 - \$197,900	\$0 - \$199,900	26%
	\$197,901 or more	\$199,901 or more	28%
MFS	\$0 - \$98,950	\$0 - \$99,950	26%
	\$98,951 or more	\$99,951 or more	28%
		AMT Exemption	
		2020	2021
Single, HoH		\$72,900	\$73,600
MFJ, SS		\$113,400	\$114,600
MFS		\$56,700	\$57,300

SOCIAL SECURITY

Maximum Compensation Subject to FICA		
	2020	2021
OASDI Maximum	\$137,700	\$142,800
HI Maximum	No Limit	No Limit
* OASDI tax rate – 2020 & 2021: 12.4% self-employed, 6.2% employees		
* HI tax rate* – 2020 & 2021: 2.9% self-employed, 1.45% employees		
* Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers)		
Maximum Amount of Earnings to Still Receive Full Benefits		
	2020	2021
Under full retirement age	\$18,240	\$18,960
MAGI Amounts for Benefits to Be Taxable		
	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single, HOH, MFS Living Apart	\$25,000	\$34,000

CURRENT AS OF DECEMBER 1, 2020

EDUCATION INCENTIVES

Tuition and Fees Deduction – "Above-the-line" deduction up to \$4,000 for qualified tuition and related expenses in 2020. Absent legislation, no deduction available in 2021.
Student Loan Interest Deduction – "Above-the-line" deduction up to \$2,500 (2020 and 2021); no time limit on deductibility period; subject to income limitations.
Education Credits – American Opportunity Credit is up to \$2,500 in 2020 and 2021 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid up to \$2,000 per return for 2020 and 2021. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.
Section 529 Plans (Qualified Tuition Programs) – Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$15,000 for 2020; \$15,000 for 2021). Donor can elect to treat up to \$75,000 of the contribution in 2020 (\$75,000 in 2021) as if it had been made ratably over a 5-year period.
Coverdell Education Savings Accounts (Education IRAs) – Contribution limit is \$2,000 in 2020 and 2021; subject to income limitations

DEDUCTIONS & EXEMPTIONS

Standard Deduction

	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2020	\$24,800	\$1,300
	2021	\$25,100	\$1,350
Married Filing Separately	2020	\$12,400	\$1,300
	2021	\$12,550	\$1,350
Head of Household	2020	\$18,650	\$1,650
	2021	\$18,800	\$1,700
Single	2020	\$12,400	\$1,650
	2021	\$12,550	\$1,700

Phaseout of Itemized Deductions Does Not Apply in 2020 or 2021

Code Sec. 179 Expense Allowance

	2020	2021
Dollar limitation	\$1,040,000	\$1,050,000
Investment limitation	\$2,590,000	\$2,620,000

Qualified Business Income Deduction Phase-In Thresholds

	Taxable Income Phase-In	
	2020	2021
MFJ	\$326,600 - \$426,600	\$329,800 - \$429,800
MFS	\$163,300 - \$213,300	\$164,925 - \$214,925
All Others	\$163,300 - \$213,300	\$164,900 - \$214,900

ESTATE & GIFT TAXES

	2020	2021
Annual Gift Tax Exclusion	\$15,000	\$15,000
for Noncitizen Spouses	\$157,000	\$159,000
Estate Tax Exclusion	\$11,580,000	\$11,700,000
Applicable Credit	\$4,577,800	\$4,625,800
Gift Tax Exclusion	\$11,580,000	\$11,700,000
Generation-Skipping Transfer Tax Exemption	\$11,580,000	\$11,700,000

CREDITS & EXCLUSIONS

Child Tax Credit

	2020	2021
Credit Amount	\$2,000	\$2,000
Refundable Amount	\$1,400	\$1,400

Phases out \$50 for each \$1,000 AGI over \$400,000 (married filing jointly), \$200,000 (all other taxpayers).

Foreign Income

	2020	2021
Foreign earned income exclusion	\$107,600	\$108,700
Maximum foreign housing exclusion of qualified housing expenses	\$15,064 (\$32,280 - \$17,216)	\$15,218 (\$32,610 - \$17,392)

INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:

- 1) 90% of current tax,
 - 2) 100% of prior year's tax, or
 - 3) 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
- Annualization exception
 - No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year

IRAS

Contribution Limits - Traditional and Roth

	2020	2021
Regular	\$6,000	\$6,000
Catch-up*	\$1,000	\$1,000

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

Roth IRAs

MAGI Phaseout Ranges for Contributions to Roth IRAs	2020	2021
Married Filing Jointly	\$196,000 - \$206,000	\$198,000 - \$208,000
Single, Head of Household	\$124,000 - \$139,000	\$125,000 - \$140,000
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000

Traditional IRA Deductibility Rules

Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2020	2021	
Single, HoH	No	Any amount	Any amount	Full deduction
	Yes	\$65,000 or less \$65,001 - \$74,999 \$75,000 or more	\$66,000 or less \$66,001 - \$75,999 \$76,000 or more	Full deduction Partial deduction No deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$104,000 or less \$104,001 - \$123,999 \$124,000 or more	\$105,000 or less \$105,001 - \$124,999 \$125,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for covered spouse	\$104,000 or less \$104,001 - \$123,999 \$124,000 or more	\$105,000 or less \$105,001 - \$124,999 \$125,000 or more	Full deduction Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$196,000 or less \$196,001 - \$205,999 \$206,000 or more	\$198,000 or less \$198,001 - \$207,999 \$208,000 or more	Full deduction Partial deduction No deduction
Married Filing Separately, lived together for any part of the year (if spouses lived separately throughout year, treated as Single)	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction
	One spouse covered: for non-covered spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction No deduction

QUALIFIED PLANS

	2020	2021
Maximum elective deferral to retirement plans (e.g., 401(k), 403(b))	\$19,500	\$19,500
Maximum elective deferral to SIMPLE IRAs	\$13,500	\$13,500
Maximum elective deferral to 457 plans or exempt employers	\$19,500	\$19,500
Limit on annual additions to Keogh plans and SEP-IRAs	\$57,000	\$58,000
Limit on annual additions to defined contribution plans	\$57,000	\$58,000
Maximum annual compensation taken into account for contributions	\$285,000	\$290,000
Annual benefit limit under defined benefit plans	\$230,000	\$230,000
Threshold amount for definition of highly compensated employee	\$130,000	\$130,000
Threshold amount for definition of key employee in top-heavy plans	\$185,000	\$185,000

Catch-up Contribution Limits*

401(k), 403(b), SARSEP and 457 plans	\$6,500	\$6,500
SIMPLE plans	\$3,000	\$3,000

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.



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