



Creating A Family Legacy

Taxes, Ways to Save

2019 Income Tax Rate Schedules

Married taxpayer filing jointly/surviving spouse

If taxable income is:

The tax is:

\$0 - \$19,400	10% of the taxable income
\$19,400 - \$78,950	\$1,940.00 + 12% of excess over \$19,400
\$78,950 - \$168,400	\$9,086.00 + 22% of excess over \$78,950
\$168,400 - \$321,450	\$28,765.00 + 24% of excess over \$168,400
\$321,450 - \$408,200	\$65,497.00 + 32% of excess over \$321,450
\$408,200 - \$612,350	\$93,257.00 + 35% of excess over \$408,200
\$612,350 or more	\$164,709.00 + 37% of excess over \$612,350

Taxes Ways to Save

2019 Income Tax Rate Schedules

Single Taxpayer

If taxable income is:

The tax is:

\$0 - \$9,700	10% of the taxable income
\$9,700 - \$39,475	\$970.00 + 12% of excess over \$9,700
\$39,475 - \$84,200	\$4,543.00 + 22% of excess over \$39,475
\$84,200 - \$160,725	\$14,382.50 + 24% of excess over \$84,200
\$160,725 - \$204,100	\$32,748.50 + 32% of excess over \$160,725
\$204,100 - \$510,300	\$46,628.50 + 35% of excess over \$204,100
\$510,300 or more	\$153,798.50 + 37% of excess over \$510,300

Taxes, Ways to Save

Head of Household

If taxable Income is:

The Tax is:

\$0 - \$13,850	10% of the taxable income
\$13,850 - \$52,850	\$1,385.00 + 12% of excess over \$13,850
\$52,850 - \$84,200	\$6,065.00+ 22% of excess over \$52,850
\$84,200 - \$160,700	\$12,962.00+ 24% of excess over \$84,200
\$160,700 - \$204,100	\$31,322.00 + 32% of excess over \$160,700
\$204,100 - \$510,300	\$45,210.00+ 35% of excess over \$204,100
\$510,300 or more	\$152,380.00 + 37% of excess over \$510,300

Taxes, Ways to Save

Married taxpayer filing separately

If taxable income is:

The tax is:

\$0-\$9,700	10% of the taxable income
\$9,700 - \$39,475	\$970.00 + 12% of excess over \$9,700
\$39,475 - \$84,200	\$4,543.00 + 22% of excess over \$39,475
\$84,200 - \$160,725	\$14,582.50 + 24% of excess over \$84,200
\$160,725 - \$204,100	\$32,748.50 + 32% of excess over \$160,725
\$204,100 - \$306,175	\$46,628.50 + 35% of excess over \$204,100
\$306,175 or more	\$82,354.75 + 37% of excess over \$306.175

For dependents with earned income the deduction is the greater of \$1,100 or earned income + \$350 (up to \$12,000.

Standard Deductions

Married/ joint	Single	Head of household	Married/ separate	Dependents
\$24,400	\$12,000	\$18,350	\$12,200	\$1,100

For dependents with earned income the deduction is the greater of \$1,100 or earned income + \$350 (up to \$12,000.

Additional Standard Deductions

Married, age 65 or older or blind	\$1,300*
Married, age 65 or older and blind	\$2,600*
Single, age 65 or older or blind	\$1,650
Single, age 65 or older and blind	\$3,300

***per person**

Capital Gains and Losses and Dividends

	Long-term capital gain rate (longer than one year)		
	0%	15%	20%
Single	\$0 - \$39,375	\$39,375 - \$434,550	\$434,550 +
Married filing jointly and surviving spouse	\$0 - \$78,750	\$78,750 - \$488,850	\$488,850 +
Head of household	\$0 - \$52,750	\$52,750 - \$461,700	\$461,700 +
Married filing separately	\$0 - \$39,375	\$39,375 - \$244,425	\$244,425 +
Trusts and estates	\$0 - \$2,650	\$2,650 - \$12,950	\$12,950

Short-term capital gain rate (one year or less)	Taxed ordinary income tax rate
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Education Savings Accounts

- **Maximum nondeductible contribution is \$2,000 per child, per year.**
- **Maximum contribution amount is lowered if a contributor's modified adjusted gross income (MAGI) is between**
 - **-\$95,000 and \$110,000 for individual filers**
 - **-\$190,000 and \$220,000 for joint filers**
- **No contributions can be made if contributor's MAGI exceeds the stated limits or the beneficiary is age 18 or older.**
- **Interest, dividends, and capital gains grow tax-deferred and may be distributed federal-income tax free as long as the money is used to pay qualified education expenses.**

529 Plans

- **Earnings accumulate tax-deferred; qualified withdrawals may be federal-income-tax-free.**
- **State-tax incentives available in some states.**
- **Contributions up to \$75,000 (single) and \$150,000 (married couples) allowed in one year without a reduction in the applicable gift/estate tax exclusion. No additional gifting in the current year or next four years without incurring potential gift tax implications**

American Opportunity Credit

Maximum Credit

**\$2500 per student for first four
years of qualified expenses paid**

MAGI phaseouts

Married filing jointly	\$160,000-\$180,000
Single filer	\$80,000-\$90,000

Lifetime Learning Credit

Maximum credit **20% of first \$10,000
(per tax return) of qualified
expenses paid in 2019**

MAGI phaseouts

Married filing jointly	\$116,000-\$136,000
Single filer	\$58,000-\$68,000

Exclusion of U.S. Savings Bond Interest

MAGI phaseouts

Married filing jointly	\$121,600-\$151,600
Others	\$81,100-\$96,100

Bonds must be titled in name(s) of taxpayer(s) only. Owner must be age 24 or older at time of issue. Must be Series EE issued after 1989 or any Series I bonds. Proceeds must be used for qualified postsecondary education of the taxpayer, spouse, or dependent.

Student Loan and Interest Deduction

Maximum deduction **\$2,500**
MAGI phaseouts:

Married filing jointly	\$140,000-\$170,000
Others	\$70,000-\$85-000

Kiddie tax

Children who have not reached the age of 19 by the end of the tax year are subject to the “kiddie tax” rules. If the child continues to be a full-time student, the rules apply until he or she turns age 24. If a child is age 18 or older and provides more than half of his or her own support, the kiddie tax rules do not apply. Unearned income of a child subject to the kiddie tax rules is taken at trust tax rates.

Estimated Annual College Costs

Estimated annual college costs

	Public	Private
2019	\$22,610	\$49,650
2024	\$25,958	\$58,236
2029	\$29,801	\$68,169
2034	\$33,213	\$79,797

Uniform Lifetime/Minimum Distribution Table

Age	Life Expectancy Factor
70	27.4
71	26.5
72	25.6
73	24.7
74	23.8
75	22.9
76	22.0
77	21.2
78	20.3
79	19.5
80	18.7
81	17.9
82	17.1
83	16.3
84	15.5
85	14.8
86	14.1
87	13.4

Age	Life Expectancy Factor
88	12.7
89	12.0
90	11.4
91	10.8
92	10.2
93	9.6
94	9.1
95	8.6
96	8.1
97	7.6
98	7.1
99	6.7
100	6.3
101	5.9
102	5.5
103	5.2
104	4.9
105	4.5

Estate, Gift, and Generation-skipping Transfer Tax

Gift tax annual exclusion

\$15,000

An individual can give up to \$15,000 per person per year to any number beneficiaries (family or nonfamily without paying gift tax or “using up” any available applicable exclusion amount.

Estate and gift tax –basic exclusion

\$11,400,000

Estate or gift taxes apply to the extent of your cumulative transfers (lifetime exclusions gifts plus the taxable estate at death) exceed your applicable exclusion.

Your applicable exclusion consists of your \$11,400,000 basic exclusion plus any “unused” exclusion received from a spouse predeceased you.

Portability: The election to transfer unused exclusion to a surviving spouse is made by filing an estate tax return. The filing deadline is 9 months after death for taxable estates, or 2 years after death if a return is filed solely to elect portability. (Election is only available if the first spouse died after 12/31/2010.

Generation-skipping transfer (GST) tax exemption

\$11,400,000

Estate, gift, and GST tax rate

40%

Applies to transfers in excess of the applicable exclusion/GST exemption

Federal Trust and Estate Income Tax

Tax Rates

If taxable income is:

The tax is:

\$0 - \$2,600	10% of the taxable income
\$2,600 - \$9,300	\$260.00 + 24% of excess over \$9,300
\$9,300 - \$12,750	\$1,868.00 + 35% of excess over \$9,300
\$12,750 - or more	\$3,075.50 + 37% of excess over \$12,750