

## BUSINESS

### Depreciation

36-Month Assets (Straight-Line) Most software

3-Year Assets (200% DB) Dies, molds, small tools, certain horses, tractor units

5-Year Assets (200% DB)

Autos, computers, office machinery, taxis, buses, trucks, cattle, private aircraft, appliances, carpeting, furniture, farm equipment

7-Year Assets (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

15-Year Assets (150% DB)

Land improvements other than buildings, retail fuel outlets

27.5-Year Assets (Straight-Line)

Rental houses, apartments, low-income housing

39-Year Assets (Straight-Line) Nonresidential buildings

### Personal Property Depreciation

**Percent of Original Depreciable Basis under 200% DB Method**  
(Not applicable for mid-quarter convention)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

### Section 179 Expense

	2019	2018
Maximum expense election	\$ 1,020,000	\$ 1,000,000
Phaseout threshold	\$ 2,550,000	\$ 2,500,000

## CORPORATE INCOME TAX RATES

### 2018 and 2019 Tax Years

For tax years beginning after 12/31/17, the "C" corporation Federal tax rate is a flat 21%. Owners of business entities, which are not taxed as "C" corporations, are eligible for a 20% Qualified Business Income (QBI) deduction. The deduction for QBI may be limited and/or subject to phase-out, depending on the taxable income of the individual, as well as such factors as the type of business, amount of wages paid by the business, and amount of capital assets owned by the business.

For income above \$315,000, the legislation phases in limits on what otherwise would be an effective marginal rate of not more than 29.6%.

Personal Service Corporations — 21% flat tax rate.

Capital Gains Tax Rate for "C" corporations — Same as regular rate.

### Regular Tax - 2017 Tax Year

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 50,000	15%	\$ 0
\$ 50,001 – \$ 75,000	\$ 7,500 + 25%	\$ 50,000
\$ 75,001 – \$ 100,000	\$ 13,750 + 34%	\$ 75,000
\$ 100,001 – \$ 335,000	\$ 22,250 + 39%	\$ 100,000
\$ 335,001 – \$ 10,000,000	\$ 113,900 + 34%	\$ 335,000
\$ 10,000,001 – \$ 15,000,000	\$ 3,400,000 + 35%	\$ 10,000,000
\$ 15,000,001 – \$ 18,333,333	\$ 5,150,000 + 38%	\$ 15,000,000
\$ 18,333,334 and above	a flat 35%	

Personal Service Corporations — 35% flat tax rate.

Capital Gains Tax Rate — Same as regular rate.

## ESTATE AND GIFT TAXES

### Estate Taxes

	2019	2018
Estate tax exemption	\$ 11,400,000	\$ 11,180,000
Unified estate tax credit	\$ 4,505,800	\$ 4,417,800
Top estate tax rate	40%	40%

### Gift Taxes

	2019	2018
Lifetime gift tax exemption	\$ 11,400,000	\$ 11,180,000
Annual gift tax exclusion		
Gifts per person	\$ 15,000	\$ 15,000
Joint gifts by spouse	\$ 30,000	\$ 30,000
Top gift tax rate	40%	40%

## LONG-TERM CARE INSURANCE

If you are:	You may deduct this much of your annual premiums	
	2019	2018
Over 70	\$ 5,270	\$ 5,200
61 to 70	\$ 4,220	\$ 4,160
51 to 60	\$ 1,580	\$ 1,560
41 to 50	\$ 790	\$ 780
40 and under	\$ 420	\$ 420

## CAPITAL GAINS — 2019 & 2018

Holding Period	Top Capital Gains Rate	
	2019	2018
12 months or less	37% <sup>1</sup>	37% <sup>1</sup>
More than 12 months	20% <sup>1,2</sup>	20% <sup>1,2</sup>
Depreciation recapture on real estate	25%	25%
Collectibles and certain small business stock	28%	28%

<sup>1</sup> Capital gain rates may be subject to an additional 3.8% Medicare tax.

<sup>2</sup> Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.)

## COVERDELL ESAs — 2019 & 2018

	2019	2018
• Contribution limit	\$ 2,000 per beneficiary	\$ 2,000 per beneficiary
• AGI phaseouts: <sup>*</sup>		
Joint filers	\$ 190,000 – \$ 220,000	\$ 190,000 – \$ 220,000
Individual filers	\$ 95,000 – \$ 110,000	\$ 95,000 – \$ 110,000

<sup>\*</sup> Phaseout applies to the contributor, not the beneficiary.

## STANDARD MILEAGE RATES

Use	2019	2018
Business	58¢ per mile	54.5¢ per mile
Moving	20¢ per mile <sup>*</sup>	18¢ per mile <sup>*</sup>
Medical	20¢ per mile	18¢ per mile
Charitable	14¢ per mile	14¢ per mile

<sup>\*</sup>For members of the U.S. Armed Forces (or their spouse or dependents).

This publication is distributed with the understanding that the publisher and distributor are not rendering legal, accounting, or other professional advice and assume no liability whatsoever in connection with its use. © 2019 MHM Publications Inc.



## 2019 TAX POCKET GUIDE

# Simione Macca & Larrow<sup>LLP</sup>



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

"On Balance, We Offer You More."

[www.smpcpas.com](http://www.smpcpas.com)

## 2019 INDIVIDUAL INCOME TAX RATES\*

### Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 19,400	..... 10%	\$ 0
\$ 19,401 – \$ 78,950	\$ 1,940 + 12%	\$ 19,400
\$ 78,951 – \$ 168,400	\$ 9,086 + 22%	\$ 78,950
\$ 168,401 – \$ 321,450	\$ 28,765 + 24%	\$ 168,400
\$ 321,451 – \$ 408,200	\$ 65,497 + 32%	\$ 321,400
\$ 408,201 – \$ 612,350	\$ 93,257 + 35%	\$ 408,200
\$ 612,351 and above	\$ 164,710 + 37%	\$ 612,350

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,700	..... 10%	\$ 0
\$ 9,701 – \$ 39,475	\$ 970 + 12%	\$ 9,700
\$ 39,476 – \$ 84,200	\$ 4,543 + 22%	\$ 39,475
\$ 84,201 – \$ 160,725	\$ 14,383 + 24%	\$ 84,200
\$ 160,726 – \$ 204,100	\$ 32,749 + 32%	\$ 160,725
\$ 204,101 – \$ 306,175	\$ 46,629 + 35%	\$ 204,100
\$ 306,176 and above	\$ 82,355 + 37%	\$ 306,175

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,700	..... 10%	\$ 0
\$ 9,701 – \$ 39,475	\$ 970 + 12%	\$ 9,700
\$ 39,476 – \$ 84,200	\$ 4,543 + 22%	\$ 39,475
\$ 84,201 – \$ 160,725	\$ 14,383 + 24%	\$ 84,200
\$ 160,726 – \$ 204,100	\$ 32,749 + 32%	\$ 160,725
\$ 204,101 – \$ 510,300	\$ 46,629 + 35%	\$ 204,100
\$ 510,301 and above	\$ 152,799 + 37%	\$ 510,300

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 13,850	..... 10%	\$ 0
\$ 13,851 – \$ 52,850	\$ 1,385 + 12%	\$ 13,850
\$ 52,851 – \$ 84,200	\$ 6,065 + 22%	\$ 52,850
\$ 84,201 – \$ 160,700	\$ 12,962 + 24%	\$ 84,200
\$ 160,701 – \$ 204,100	\$ 31,322 + 32%	\$ 160,700
\$ 204,101 – \$ 510,300	\$ 45,210 + 35%	\$ 204,100
\$ 510,301 and above	\$ 152,380 + 37%	\$ 510,300

### 2019 Qualified Dividend Income 15%\* (0% for lower tax brackets)

\*Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).  
Note: Tax amounts have been rounded up to nearest dollar.

## PERSONAL EXEMPTIONS

	2019 & 2018	2017
Deduction for each taxpayer, spouse, and dependent	*	\$ 4,050
There is an AGI phaseout beginning at:		
Married, filing jointly	*	\$ 313,800
Married, filing separately	*	\$ 156,900
Single	*	\$ 261,500
Head of household	*	\$ 287,650

\* There are no personal exemption amounts for 2018 and 2019.

## 2018 INDIVIDUAL INCOME TAX RATES\*

### Regular Tax — Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 19,050	..... 10%	\$ 0
\$ 19,051 – \$ 77,400	\$ 1,905 + 12%	\$ 19,050
\$ 77,401 – \$ 165,000	\$ 8,907 + 22%	\$ 77,400
\$ 165,001 – \$ 315,000	\$ 28,179 + 24%	\$ 165,000
\$ 315,001 – \$ 400,000	\$ 64,179 + 32%	\$ 315,000
\$ 400,001 – \$ 600,000	\$ 91,379 + 35%	\$ 400,000
\$ 600,001 and above	\$ 161,379 + 37%	\$ 600,000

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,525	..... 10%	\$ 0
\$ 9,526 – \$ 38,700	\$ 953 + 12%	\$ 9,525
\$ 38,701 – \$ 82,500	\$ 4,454 + 22%	\$ 38,700
\$ 82,501 – \$ 157,500	\$ 14,090 + 24%	\$ 82,500
\$ 157,501 – \$ 200,000	\$ 32,090 + 32%	\$ 157,500
\$ 200,001 – \$ 300,000	\$ 45,690 + 35%	\$ 200,000
\$ 300,001 and above	\$ 80,690 + 37%	\$ 300,000

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,525	..... 10%	\$ 0
\$ 9,526 – \$ 38,700	\$ 953 + 12%	\$ 9,525
\$ 38,701 – \$ 82,500	\$ 4,454 + 22%	\$ 38,700
\$ 82,501 – \$ 157,500	\$ 14,090 + 24%	\$ 82,500
\$ 157,501 – \$ 200,000	\$ 32,090 + 32%	\$ 157,500
\$ 200,001 – \$ 500,000	\$ 45,690 + 35%	\$ 200,000
\$ 500,001 and above	\$ 150,690 + 37%	\$ 500,000

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 13,600	..... 10%	\$ 0
\$ 13,601 – \$ 51,800	\$ 1,360 + 12%	\$ 13,600
\$ 51,801 – \$ 82,500	\$ 5,944 + 22%	\$ 51,800
\$ 82,501 – \$ 157,500	\$ 12,698 + 24%	\$ 82,500
\$ 157,501 – \$ 200,000	\$ 30,698 + 32%	\$ 157,500
\$ 200,001 – \$ 500,000	\$ 44,298 + 35%	\$ 200,000
\$ 500,001 and above	\$ 149,298 + 37%	\$ 500,000

### 2018 Qualified Dividend Income 15%\* (0% for lower tax brackets)

\*Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).  
Note: Tax amounts have been rounded up to nearest dollar.

## STANDARD DEDUCTION

	2019	2018
Married, filing jointly	\$ 24,400	\$ 24,000
Married, filing separately	\$ 12,200	\$ 12,000
Single	\$ 12,200	\$ 12,000
Head of household	\$ 18,350	\$ 18,000
Additional — blind or elderly		
Single	\$ 1,650	\$ 1,600
Married	\$ 1,300	\$ 1,300

Many itemized deductions were eliminated or restricted starting in 2018.

## RETIREMENT PLANS

### Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2019	2018
Individual Retirement Accounts (IRAs)*	\$ 6,000	\$ 5,500
Section 401(k) plans or SAR-SEPs*	\$ 19,000	\$ 18,500
Section 403(b) plans*	\$ 19,000	\$ 18,500
Section 408(p)(2)(E) SIMPLE contributions*	\$ 13,000	\$ 12,500
Section 457(b)(2) limit*	\$ 19,000	\$ 18,500
Section 415 limit for:		
Defined contribution plans†	\$ 56,000	\$ 55,000
Defined benefit plans	\$ 225,000	\$ 220,000
Highly compensated employees Section 414(q)	\$ 125,000	\$ 120,000
FICA taxable wage base		
Social Security	\$ 132,900	\$ 128,400
Medicare (tax rate 1.45% for employees; 2.90% for self-employed)**	No limit	No limit
* Age 50 additional contributions		
401(k) type plans	\$ 6,000	\$ 6,000
SIMPLEs	\$ 3,000	\$ 3,000
IRAs	\$ 1,000	\$ 1,000

† The Section 415 compensation limit for defined contribution plans is \$280,000.

\*\* An additional tax rate of 0.9% on wages in excess of \$200,000 may apply.

### Roth IRAs

AGI limit for maximum contributions:	2019	2018
Joint filers	\$ 193,000	\$ 189,000
Individual filers	\$ 122,000	\$ 120,000

### Traditional IRAs

AGI limit for maximum contributions:	2019	2018
Joint filers	\$ 123,000	\$ 121,000
Individual filers	\$ 74,000	\$ 73,000

The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

## SOCIAL SECURITY

Annual Earned Income Limit	2019	2018
Under full retirement age	\$ 17,640	\$ 17,040
Full retirement age	No Limit	No Limit

For people reaching full retirement age in 2019, the limit is \$46,920 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

## HEALTH SAVINGS ACCOUNTS

Contribution Limits	2019	2018
Individual, self-only	\$ 3,500	\$ 3,450
Family Coverage	\$ 7,000	\$ 6,900
Catch-up for those age 55 and older	\$ 1,000	\$ 1,000

For 2019, the minimum deductible for a high-deductible health plan (HDHP) is \$1,350 for self-only coverage and \$2,700 for family coverage. The maximum out-of-pocket limit is \$6,750 for self-only coverage and \$13,500 for family plans.

## ALTERNATIVE MINIMUM TAX

AMT Exemptions	2019	2018
Married, filing jointly	\$ 111,700	\$ 109,400
Married, filing separately	\$ 55,850	\$ 54,700
Single	\$ 71,700	\$ 70,300
Head of household	\$ 71,700	\$ 70,300