

2019 tax planning guide

Tax brackets for 2019

Married, filing jointly

\$0–\$19,400	10.0%
\$19,401–\$78,950	12.0%
\$78,951–\$168,400	22.0%
\$168,401–\$321,450	24.0%
\$321,451–\$408,200	32.0%
\$408,201–\$612,350	35.0%
Over \$612,350	37.0%

Single

\$0–\$9,700	10.0%
\$9,701–\$39,475	12.0%
\$39,476–\$84,200	22.0%
\$84,201–\$160,725	24.0%
\$160,726–\$204,100	32.0%
\$204,101–\$510,300	35.0%
Over \$510,300	37.0%

Married, filing separately

\$0–\$9,700	10.0%
\$9,701–\$39,475	12.0%
\$39,476–\$84,200	22.0%
\$84,201–\$160,725	24.0%
\$160,726–\$204,100	32.0%
\$204,101–\$306,175	35.0%
Over \$306,175	37.0%

Head of household

\$0–\$13,850	10.0%
\$13,851–\$52,850	12.0%
\$52,851–\$84,200	22.0%
\$84,201–\$160,700	24.0%
\$160,701–\$204,100	32.0%
\$204,101–\$510,300	35.0%
Over \$510,300	37.0%

Estates and trusts

\$0–\$2,600	10.0%
\$2,601–\$9,300	24.0%
\$9,301–\$12,750	35.0%
Over \$12,750	37.0%

Long-term capital gains/ qualified dividend rates

0.0% rate when taxable income is below:

Married, filing jointly	\$78,750
Married, filing separately	\$39,375
Head of household	\$52,750
Single	\$39,375
Estates and trusts	\$2,650

15.0% rate when taxable income is below:

Married, filing jointly	\$488,850
Married, filing separately	\$244,425
Head of household	\$461,700
Single	\$434,550
Estates and trusts	\$12,950

20.0% rate generally applies to higher taxable income amounts

28.0% rate applies to capital gains on collectibles

Standard deduction

Married, filing jointly	\$24,400
Single	\$12,200
Married, filing separately	\$12,200
Head of household	\$18,350

Blind or over 65: additional \$1,300 if married; \$1,650 if single and not a surviving spouse.

Capital loss limit

Married, filing jointly	\$3,000
Single	\$3,000
Married, filing separately	\$1,500

If your capital loss exceeds your capital gains.

Estate tax

Transfer tax rate (maximum)	40%
Estate tax exemption	\$11,400,000
Gift tax exemption	\$11,400,000
Generation-skipping transfer exemption	\$11,400,000

Education

529 plan contributions, per individual	\$15,000 per yr. before a gift tax
529 plan contributions, per couple	\$30,000 per yr. before a gift tax
Accelerate 5 years of gifting into 1 year per individual	\$75,000
Per couple	\$150,000

Lifetime learning credits

Maximum credit	\$2,000
Phaseout—single	\$58,000–\$68,000 MAGI ¹
Phaseout—joint	\$116,000–\$136,000 MAGI ¹

Coverdell education savings account

Contribution	\$2,000
Phaseout—single	\$95,000–\$110,000 MAGI ¹
Phaseout—joint	\$190,000–\$220,000 MAGI ¹

Student loan interest

Deduction limit	\$2,500
Phaseout—single	\$70,000–\$85,000 MAGI ¹
Phaseout—joint	\$140,000–\$170,000 MAGI ¹

Phaseout of tax-free savings bonds interest

Single	\$81,100–\$96,100 MAGI ¹
Joint	\$121,600–\$151,600 MAGI ¹

American opportunity tax credit

Maximum credit	\$2,500
Phaseout—single	\$80,000–\$90,000 MAGI ¹
Phaseout—joint	\$160,000–\$180,000 MAGI ¹

Kiddie tax

Earned income is taxed at single tax bracket rates.
Net unearned income is taxed at estates and trusts tax bracket rates.

Retirement

IRA and Roth IRA contributions

Under age 50	\$6,000
Aged 50 and over	\$7,000

Phaseout for deducting IRA contributions

(for qualified plan participants)

Married, filing jointly	\$103,000–\$123,000 MAGI ¹
Single or head of household	\$64,000–\$74,000 MAGI ¹
Married, filing jointly ²	\$193,000–\$203,000 MAGI ¹

Phaseout of Roth contribution eligibility

Joint	\$193,000–\$203,000 MAGI ¹
Single	\$122,000–\$137,000 MAGI ¹
Filing separately	\$0–\$10,000 MAGI ¹

SEP contribution

Up to 25% of compensation	Limit \$56,000
To participate in SEP	\$600

SIMPLE elective deferral

Under age 50	\$13,000
Aged 50 and over	\$16,000

Qualified plan contributions

401(k), 403(b), 457, and SARSEP	\$19,000
Aged 50 and over	\$25,000
Limit on additions to defined contribution plan	\$56,000
Annual benefit limit on defined benefit plan	\$225,000
Highly compensated employee makes	\$125,000
Annual compensation taken into account for qualified plans	\$280,000

¹ Modified adjusted gross income. ² Phaseout limit for spouse who is not a participant in a qualified plan.