

Journal of Accountancy

Filing season quick guide — tax year 2022

Single taxpayers

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$10,275	10%		\$0
\$10,275	\$41,775	\$1,027.50	12%	\$10,275
\$41,775	\$89,075	\$4,807.50	22%	\$41,775
\$89,075	\$170,050	\$15,213.50	24%	\$89,075
\$170,050	\$215,950	\$34,647.50	32%	\$170,050
\$215,950	\$539,900	\$49,335.50	35%	\$215,950
\$539,900		\$162,718	37%	\$539,900

Heads of household

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$14,650	10%		\$0
\$14,650	\$55,900	\$1,465	12%	\$14,650
\$55,900	\$89,050	\$6,415	22%	\$55,900
\$89,050	\$170,050	\$13,708	24%	\$89,050
\$170,050	\$215,950	\$33,148	32%	\$170,050
\$215,950	\$539,900	\$47,836	35%	\$215,950
\$539,900		\$161,218.50	37%	\$539,900

Married taxpayers filing joint returns and surviving spouses

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$20,550	10%		\$0
\$20,550	\$83,550	\$2,055	12%	\$20,550
\$83,550	\$178,150	\$9,615	22%	\$83,550
\$178,150	\$340,100	\$30,427	24%	\$178,150
\$340,100	\$431,900	\$69,295	32%	\$340,100
\$431,900	\$647,850	\$98,671	35%	\$431,900
\$647,850		\$174,253.50	37%	\$647,850

Trusts and estates

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$2,750	10%		\$0
\$2,750	\$9,850	\$275	24%	\$2,750
\$9,850	\$13,450	\$1,979	35%	\$9,850
\$13,450		\$3,239	37%	\$13,450

Married taxpayers filing separate returns

If taxable income is over	But not over	Tax is	Plus	Of the amount over
\$0	\$10,275	10%		\$0
\$10,275	\$41,775	\$1,027.50	12%	\$10,275
\$41,775	\$89,075	\$4,807.50	22%	\$41,775
\$89,075	\$170,050	\$15,213.50	24%	\$89,075
\$170,050	\$215,950	\$34,647.50	32%	\$170,050
\$215,950	\$323,925	\$49,335.50	35%	\$215,950
\$323,925		\$87,126.75	37%	\$323,925

Long-term capital gains rates

Filing status	0% rate: Taxable income of	15% rate: Taxable income of	20% rate: Taxable income of
Married filing jointly	\$0 to \$83,350	\$83,351 to \$517,200	\$517,201 and over
Married filing separately	\$0 to \$41,675	\$41,676 to \$258,600	\$258,601 and over
Heads of household	\$0 to \$55,800	\$55,801 to \$488,500	\$488,501 and over
Single	\$0 to \$41,675	\$41,676 to \$459,750	\$459,751 and over
Trusts and estates	\$0 to \$2,800	\$2,801 to \$13,700	\$13,701 and over

NET INVESTMENT INCOME TAX

3.8% of the lesser of (1) net investment income or (2) the amount of modified adjusted gross income (MAGI) over these thresholds:

- Single: \$200,000.
- Married filing jointly and surviving spouses: \$250,000.
- Married filing separately: \$125,000.
- Heads of household: \$200,000.
- Estates and trusts: \$13,450.

SELF-EMPLOYMENT TAX

- Tax rate: 15.3% (12.4% OASDI tax plus 2.9% Medicare tax).
- Surtax: 0.9% Medicare surtax is applied to self-employment income in excess of \$200,000 (single), \$250,000 (married filing jointly), or \$125,000 (married filing separately).
- Wage base: \$147,000 of self-employment income for OASDI (maximum OASDI tax of \$18,228; no ceiling on Medicare tax).

KIDDIE TAX

For a child subject to the kiddie tax, the net unearned income of the child (limited to the individual's taxable income) taxed at the parents' marginal tax rate. Net unearned income for 2022 is the portion of the child's adjusted gross income (AGI) over the sum of: (1) \$1,150 plus (2) the greater of \$1,150 or, if the child itemizes deductions, those itemized deductions directly connected to the production of the unearned income.

PERSONAL EXEMPTION

Personal exemptions are suspended from 2018 through 2025. A deemed personal exemption amount of \$4,400 is used for purposes of determining who is a "qualifying relative" under Sec. 152(d)(1)(B).

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STANDARD DEDUCTION

- Single: \$12,950.
- Married filing jointly and surviving spouses: \$25,900.
- Married filing separately: \$12,950 (\$0 if spouse itemizes deductions).
- Heads of household: \$19,400.

Additional standard deduction for age 65+ and blind taxpayers:

- Single: \$1,750.
- Married filing jointly and surviving spouses: \$1,400.
- Heads of household: \$1,750.

Standard deduction for individuals who can be claimed as dependents is the lesser of (1) \$12,950 or (2) the greater of \$1,150 or \$400 plus the individual's earned income.

ITEMIZED DEDUCTIONS

The overall limitation on itemized deductions is suspended from 2018 through 2025. Miscellaneous itemized deductions subject to the 2%-of-AGI floor are also suspended from 2018 through 2025.

STANDARD MILEAGE RATE

- **Business:** For miles traveled between Jan. 1, 2022, and June 30, 2022, 58.5 cents per mile; for miles traveled between July 1, 2022, and Dec. 31, 2022, 62.5 cents per mile. Business mileage is no longer deductible as an unreimbursed employee business expense, except for members of a reserve component of the U.S. armed forces, state or local government officials paid on a fee basis, and certain performing artists.
- **Medical and moving:** 18 cents per mile for miles traveled between Jan. 1, 2022, and June 30, 2022; 22 cents for miles traveled between July 1, 2022, and Dec. 31, 2022. Moving mileage is deductible only by U.S. armed forces members on active duty who move pursuant to a military order and incident to a permanent change of station to whom Sec. 217(g) applies.
- **Charitable services:** 14 cents per mile.

For business autos for which the optional business standard mileage rate is used, the portion treated as depreciation is 26 cents per mile.

TAX CREDITS

- **Earned income:** Maximum credit depends on number of qualifying children: \$560 (none); \$3,733 (one); \$6,164 (two); \$6,935 (three or more), subject to phaseouts. The threshold for disqualifying investment income is \$10,300.
- **Child:** The amount used to determine the amount of credit under Sec. 24 that may be refundable is \$1,500.
- **Adoption expense:** \$14,890 maximum. Phases out with MAGI between \$223,410 and \$263,410.
- **American opportunity:** \$2,500 per year maximum (100% of the first \$2,000 of qualifying expenses and 25% of the next \$2,000), with 40% of the credit refundable unless the taxpayer is a child subject to the kiddie tax. Phases out for single taxpayers with MAGIs between \$80,000 and \$90,000 (\$160,000 and \$180,000 for married filing jointly).
- **Lifetime learning:** 20% of up to \$10,000 of qualified tuition and related expenses. Phases out between \$80,000 and \$90,000 of MAGI for single filers and from \$160,000 to \$180,000 for married filing jointly.
- **Sec. 25D residential clean energy:** 30% of amount paid for qualifying property (for qualified fuel cell property, maximum credit of \$500 for each 0.5 kilowatt of capacity).
- **Small business health insurance:** 50% of amount of nonelective contributions an eligible small business makes on behalf of its employees for premiums for certain health insurance coverage (35% credit against payroll tax for tax-exempt entities). Available for two consecutive tax years. Phases out for employers with between 10 and 25 full-time-equivalent employees and average annual wages of between \$28,700 and \$57,400.

SAVER'S CREDIT APPLICABLE PERCENTAGES

AGI, married filing jointly	AGI, heads of household	AGI, all other filers	Applicable percentage
\$0 to \$41,000	\$0 to \$30,750	\$0 to \$20,500	50%
\$41,001 to \$44,000	\$30,751 to \$33,000	\$20,501 to \$22,000	20%
\$44,001 to \$68,000	\$33,001 to \$51,000	\$22,001 to \$34,000	10%

SEC. 179 AND BONUS DEPRECIATION

- Sec. 179 expense deduction: \$1,080,000 with a phaseout threshold of \$2,700,000.
- Sec. 168(k) bonus depreciation: 100% of adjusted basis of qualifying property in the first year it is placed in service (for property placed in service after Sept. 27, 2017).

RETIREMENT PLAN LIMITS

- Maximum 401(k) plan elective deferral: \$20,500 (plus \$6,500 catch-up for age 50+).
- Defined benefit plan maximum benefit: \$245,000.
- Defined contribution plan contribution limit: \$61,000 or 100% of compensation, whichever is less.
- IRA contribution limit: \$6,000 (plus \$1,000 catch-up for age 50+).
- IRA deduction phaseout for active participant in a workplace retirement plan: MAGI from \$109,000 to \$129,000 (married filing jointly); \$68,000 to \$78,000 (single taxpayers and heads of household); \$0 to \$10,000 (married filing separately); \$204,000 to \$214,000 (individual who is not an active participant in a workplace retirement plan whose spouse is an active participant in a workplace retirement plan).
- Roth IRA contribution limit: \$6,000 (plus \$1,000 catch-up for age 50+).
- Roth IRA contribution limit phaseout: MAGI from \$204,000 to \$214,000 (married filing jointly); \$129,000 to \$144,000 (single and heads of household); \$0 to \$10,000 (married filing separately).
- SEP minimum required compensation: \$650; compensation limit for determining maximum allowable contributions by employer: \$305,000.

ESTATES AND GIFTS

- Per donee annual gift tax exclusion: \$16,000.
- Annual exclusion for transfers to noncitizen spouse: \$164,000.
- Gift/estate tax exclusion: \$12,060,000; estate of first spouse to die may pass unused portion of exclusion to surviving spouse.

ALTERNATIVE MINIMUM TAX

Filing status or entity	AMT exemption amount	AMTI phaseout of exemption*
Married filing jointly or surviving spouses	\$118,100	\$1,079,800 to \$1,552,200
Single or heads of household	\$75,900	\$539,900 to \$843,500
Married filing separately	\$59,050	\$539,900 to \$776,100
Estates and trusts	\$26,500	\$88,300 to \$194,300

* At 25% of AMTI above phaseout threshold.