

# Important Tax Figures for 2020

The following table provides some important federal tax information for 2020, as compared with 2019. Some of the dollar amounts are unchanged and some changed only slightly due to inflation.

<b>Social Security/ Medicare</b>	<b>2020</b>	<b>2019</b>
Social Security Tax Wage Base	\$137,700	\$132,900
Medicare Tax Wage Base	No limit	No limit
Employee portion of Social Security	6.2%	6.2%
Employee portion of Medicare	1.45%	1.45%
<b>Individual Retirement Accounts</b>	<b>2020</b>	<b>2019</b>
Roth IRA Individual, up to 100% of earned income	\$6,000	\$6,000
Traditional IRA Individual, up to 100% of earned income	\$6,000	\$6,000
Roth and traditional IRA additional annual "catch-up" contributions for account owners age 50 and older	\$1,000	\$1,000
<b>Qualified Plan Limits</b>	<b>2020</b>	<b>2019</b>
Defined Contribution Plan limit on additions on <i>Sections 415(c)(1)(A)</i>	\$57,000	\$56,000
Defined Benefit Plan limit on benefits ( <i>Section 415(b)(1)(A)</i> )	\$230,000	\$225,000
Maximum compensation used to determine contributions	\$285,000	\$280,000
401(k), SARSEP, 403(b) Deferrals ( <i>Section 402(g)</i> ), & 457 deferrals ( <i>Section 457(b)(2)</i> )	\$19,500	\$19,000
401(k), 403(b), 457 & SARSEP additional "catch-up" contributions for employees age 50 and older	\$6,500	\$6,000
SIMPLE deferrals ( <i>Section 408(p)(2)(A)</i> )	\$13,500	\$13,000
SIMPLE additional "catch-up" contributions for employees age 50 and older	\$3,000	\$3,000
Compensation defining highly compensated employee ( <i>Section 414(q)(1)(B)</i> )	\$130,000	\$125,000
Compensation defining key employee (officer)	\$185,000	\$180,000
Compensation triggering Simplified Employee Pension contribution requirement ( <i>Section 408(k)(2)(c)</i> )	\$600	\$600

<b>Driving Deductions</b>	<b>2020</b>	<b>2019</b>
Business mileage, per mile	57.5 cents	58 cents
Charitable mileage, per mile	14 cents	14 cents
Medical and moving, per mile	17 cents	20 cents
<b>Business Equipment</b>	<b>2020</b>	<b>2019</b>
Maximum Section 179 deduction	\$1,040,000	\$1,020,000
Phase out for Section 179	\$2.59 million	\$2.55 million
<b>Transportation Fringe Benefit Exclusion</b>	<b>2020</b>	<b>2019</b>
Monthly commuter highway vehicle and transit pass	\$270	\$265
Monthly qualified parking	\$270	\$265
<b>Standard Deduction</b>	<b>2020</b>	<b>2019</b>
Married filing jointly	\$24,800	\$24,400
Single (and married filing separately)	\$12,400	\$12,200
Heads of Household	\$18,650	\$18,350
<b>Domestic Employees</b>	<b>2020</b>	<b>2019</b>
Threshold when a domestic employer must withhold and pay FICA for babysitters, house cleaners, etc.	\$2,200	\$2,100
<b>Kiddie Tax</b>	<b>2020</b>	<b>2019</b>
Net unearned income not subject to the "Kiddie Tax"	\$2,200	\$2,200
<b>Estate Tax</b>	<b>2020</b>	<b>2019</b>
Federal estate tax exemption	\$11.58 million	\$11.4 million
Maximum estate tax rate	40%	40%
<b>Annual Gift Exclusion</b>	<b>2020</b>	<b>2019</b>
Amount you can give each recipient	\$15,000	\$15,000

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