**2020 SUMMARY OF TAX CHANGES AND GUIDELINES**

**Tax Rates**

There have been no changes to the tax brackets for the tax year 2020. The seven tax brackets and the tax rates remain the same. It also changes the income thresholds at which the rates apply.

* The current brackets are: 10%, 12%, 22%, 24%, 32%, 35% and 37%
* The new brackets will be: 10%, 12%, 22%, 24%, 32%, 35% and 37%

### Alternative Minimum Tax Exemptions Increased

The bill also eases the burden of the individual alternative minimum tax (AMT) by raising the income exempted from $111,700 (adjusted for inflation) to $113,400 married filing jointly and from $71,700 (adjusted for inflation) to $72,900 for single taxpayers, so fewer taxpayers will pay it.

### Tax Relief for Individuals and Families

**Increased standard deduction:**
Single taxpayers will see their standard deductions jump from $12,200 for 2019 taxes to $12,400 for 2020 taxes (the ones you file in 2021).

Married couples filing jointly will see their standard deductions jump from $24,400 for 2019 taxes to $24,800 for 2020 taxes. (the ones you file in 2021).

Taxpayers filing as heads of households will see their standard deductions jump from $18,350 for 2019 taxes to $18,650 for 2020 taxes (the ones you file in 2021).

**Increased Child Tax Credit:**

For, families with qualified children under the age of 17, the Child Tax Credit remains at $2,000 per child. In addition, the amount that is refundable remains at $1,400. The non-refundable credit for dependents other than children remains at $500 for 2020. The income threshold at which these benefits phase out for a married couple remains at $400,000.

**Lifetime Learning Credit**

For tax year 2020, the adjusted gross income amount used by joint filers to determine the reduction in the Lifetime Learning Credit is $118,000, up from $116,000 for tax year 2019.

**Estate Tax Exclusion Increase**

Estates of decedents who die during 2020 have a basic exclusion amount of $11,580,000, up from a total of $11,400,000 for estates of decedents who died in 2019.

**Gift Tax Exclusion**

The annual exclusion for gifts is $15,000 for calendar year 2020, as it was for calendar year 2019.

### Self-employed (contractors, freelancers, sole proprietors) and small businesses remain the same:

A 20% deduction for incomes from certain type of “pass-through” entities (partnerships, S Corps, sole proprietorships), limits on expensing of interest from borrowing, small business can expense Section 179 amount of $1,000,000, and eliminated the corporate alternative minimum tax (AMT).