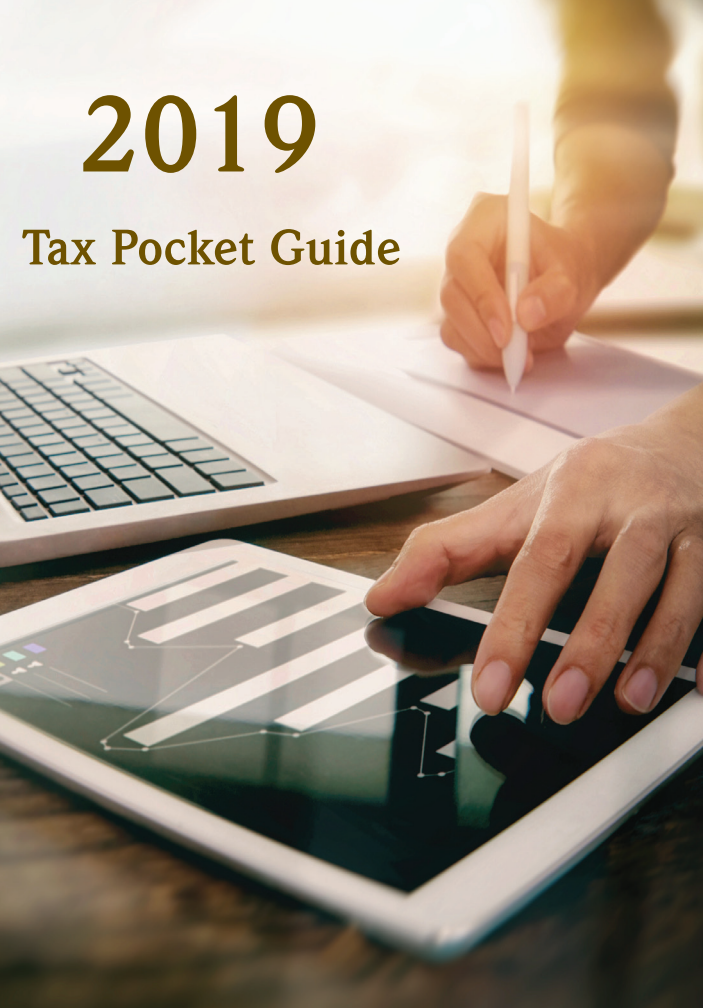


2019

Tax Pocket Guide



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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, may be 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 |
| 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% ¹ | 37% ¹ |
| More than 12 months | 20% ^{1,2} | 20% ^{1,2} |
| Depreciation recapture on real estate | 25% | 25% |
| Collectibles and certain small business stock | 28% | 28% |

¹ Capital gain rates may be subject to an additional 3.8% Medicare tax.

² 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:* | | |
| Joint filers | \$ 190,000 – \$ 220,000 | \$ 190,000 – \$ 220,000 |
| Individual filers | \$ 95,000 – \$ 110,000 | \$ 95,000 – \$ 110,000 |

* 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* | 18¢ per mile* |
| Medical | 20¢ per mile | 18¢ per mile |
| Charitable | 14¢ per mile | 14¢ per mile |

*For members of the U.S. Armed Forces (or their spouse or dependents).

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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 | \$ 153,799 + 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 |