

# 2020 tax planning tables at-a-glance

## Capital gains and losses and dividends

	Long term capital gain rate (longer than one year)		
	0%*	15%*	20%*
Single	\$0–\$40,000	\$40,001–\$441,450	\$441,451 +
Married filing jointly and surviving spouse	\$0–\$80,000	\$80,001–\$496,600	\$496,601 +
Head of household	\$0–\$53,600	\$53,601–\$469,050	\$469,051 +
Married filing separately	\$0–\$40,000	\$40,001–\$248,300	\$248,301 +
Trusts and estates	\$0–\$2,650	\$2,651–\$13,150	\$13,151 +

\*Determine your capital gain bracket by adding your net long-term capital gains and/or qualified dividends to your other taxable income net of deductions.

For example, assume a joint filer has net taxable income of \$85,000 which includes \$20,000 in net long-term capital gain. The first \$15,000 of the gain falls within the 0% rate threshold of \$80,000 and will be taxed at 0%; while the remaining \$5,000 of long-term capital gain is above the \$80,000 threshold and will be taxed at 15%.

Short-term capital gain rate (one year or less)	Taxed at ordinary income tax rate.
<b>Dividends</b>	Qualified dividends are taxed at the long-term capital gain rates. Nonqualified dividends are taxed at ordinary income tax rates.

Higher rates apply to collectibles and unrecaptured \$1250 gain. Consult your tax advisor about how they apply to your situation.

## Netting capital gains and losses

1. Net short-term gains and short-term losses.
2. Net long-term gains and long-term losses.
3. Net short-term against long-term.
4. Deduct up to \$3,000 of excess losses against ordinary income per year.
5. Carry over any remaining losses to future tax years.

## 2020 income tax rate schedules\*

Married taxpayer filing jointly/surviving spouse	
If taxable income is:	The tax is:
\$0–\$19,750	10% of the taxable income
\$19,750–\$80,250	\$1,975.00 + 12% of excess over \$19,750
\$80,250–\$171,050	\$9,235.00 + 22% of excess over \$80,250
\$171,050–\$326,600	\$29,211.00 + 24% of excess over \$171,050
\$326,600–\$414,700	\$66,543.00 + 32% of excess over \$326,600
\$414,700–\$622,050	\$94,735.00 + 35% of excess over \$414,700
\$622,050 or more	\$167,307.50 + 37% of excess over \$622,050
Single taxpayer	
If taxable income is:	The tax is:
\$0–\$9,875	10% of the taxable income
\$9,875–\$40,125	\$987.50 + 12% of excess over \$9,875
\$40,125–\$85,525	\$4,617.50 + 22% of excess over \$40,125
\$85,525–\$163,300	\$14,605.50 + 24% of excess over \$85,525
\$163,300–\$207,350	\$33,271.50 + 32% of excess over \$163,300
\$207,350–\$518,400	\$47,367.50 + 35% of excess over \$207,350
\$518,400 or more	\$156,235.00 + 37% of excess over \$518,400
Head of household	
If taxable income is:	The tax is:
\$0–\$14,100	10% of the taxable income
\$14,100–\$53,700	\$1,410.00 + 12% of excess over \$14,100
\$53,700–\$85,500	\$6,162.00 + 22% of excess over \$53,700
\$85,500–\$163,300	\$13,158.00 + 24% of excess over \$85,500
\$163,300–\$207,350	\$31,830.00 + 32% of excess over \$163,300
\$207,350–\$518,400	\$45,926.00 + 35% of excess over \$207,350
\$518,400 or more	\$154,793.50 + 37% of excess over \$518,400
Married taxpayer filing separately	
If taxable income is:	The tax is:
\$0–\$9,875	10% of the taxable income
\$9,875–\$40,125	\$987.50 + 12% of excess over \$9,875
\$40,125–\$85,525	\$4,617.50 + 22% of excess over \$40,125
\$85,525–\$163,300	\$14,605.50 + 24% of excess over \$85,525
\$163,300–\$207,350	\$33,271.50 + 32% of excess over \$163,300
\$207,350–\$311,025	\$47,367.50 + 35% of excess over \$207,350
\$311,025 or more	\$83,653.75 + 37% of excess over \$311,025

\* Taxable income is income after all deductions (including either itemized or standard deduction).

Standard deductions				
Married/joint	Single	Head of household	Married/separate	Dependents
\$24,800	\$12,400	\$18,650	\$12,400	\$1,100

For dependents with earned income, the deduction is the greater of \$1,100 or earned income + \$350 (up to \$12,400).

Additional standard deductions	
Married, age 65 or older or blind	\$1,300*
Married, age 65 or older and blind	\$2,600*
Single, age 65 or older or blind	\$1,650
Single, age 65 or older and blind	\$3,300

\* Per person

## Alternative minimum tax (AMT)

Tax brackets	
AMT income	Tax
Up to \$197,900*	26%
Over \$197,900	28%

\* \$98,950 if married filing separately

AMT exemption		
	Exemption	Phased out on excess over
Married filing joint and surviving spouse	\$113,400	\$1,036,800
Unmarried individual	\$72,900	\$518,400
Married filing separately	\$56,700	\$518,400
Trusts and estates	\$25,400	\$84,800

This is an abbreviated version of the tax planning tables. For the complete version, contact your financial advisor.

## Investment and Insurance Products:

► NOT FDIC Insured ► NO Bank Guarantee ► MAY Lose Value

## Retirement accounts

Pretax 401(k), 403(b), 457, Roth 401(k), or 403(b)	
<b>Employee maximum deferral contributions</b>	<b>Catch-up contribution (if age 50 or older)</b>
\$19,500	\$6,500
Combined limit for Roth 401(k) or Roth 403(b) and pretax traditional 401(k) or pretax 403(b) deferral contributions is \$19,500 for those younger than 50.	
Traditional and Roth IRA	
<b>Maximum contribution</b>	<b>Catch-up contribution (if age 50 or older)</b>
\$6,000	\$1,000

2020 contributions must be made no later than the tax-filing deadline, regardless of tax extensions.

## Traditional IRA deductibility limits

If neither individual nor spouse is a participant in another plan: \$6,000\* maximum deduction

If the individual is an active participant in another plan:

Married/joint MAGI <sup>†</sup>	Single MAGI <sup>†</sup>	Deduction
Up to \$104,000	Up to \$65,000	\$6,000**
\$104,000–124,000	\$65,000–\$75,000	Phased out
Over \$124,000	Over \$75,000	\$0

\* If a spouse (working or nonworking) is not covered by a retirement plan but his or her spouse is covered, the spouse who is not covered is allowed full deductibility up to \$196,000 joint MAGI, phased out at \$206,000 joint MAGI.

† Modified adjusted gross income

‡ Maximum deduction is \$7,000 if age 50 or older.

Note: Phaseout for married filing separately is \$0–\$10,000.

## Roth IRA qualifications

- Contribution amount is limited if modified adjusted gross income (MAGI) is between:
  - \$124,000 and \$139,000 for individual returns\*
  - \$196,000 and \$206,000 for married/joint filers
  - \$0 and \$10,000 for married filing separate
- Cannot contribute if MAGI exceeds limits.
- Contributions are not deductible.

\* Includes single filers, head of household, and married filing separately if you did not live with your spouse at any time during the year.

## Retirement plan limits

Maximum elective deferral to SIMPLE IRA and SIMPLE 401(k) plans	\$13,500
Catch-up contribution for SIMPLE IRA and SIMPLE 401(k) plans (if age 50 or older)	\$3,000
Maximum annual defined contribution plan limit	\$57,000
Maximum compensation for calculating qualified plan contributions	\$285,000
Maximum annual defined benefit limit	\$230,000
Threshold for highly compensated employee	\$130,000
Threshold for key employee in top-heavy plans	\$185,000
Maximum SEP contribution is lesser of limit or 25% of eligible income	\$57,000

### Uniform Lifetime/Minimum Distribution table

Age	Life expectancy factor	Age	Life expectancy factor
70	27.4	88	12.7
71	26.5	89	12.0
72	25.6	90	11.4
73	24.7	91	10.8
74	23.8	92	10.2
75	22.9	93	9.6
76	22.0	94	9.1
77	21.2	95	8.6
78	20.3	96	8.1
79	19.5	97	7.6
80	18.7	98	7.1
81	17.9	99	6.7
82	17.1	100	6.3
83	16.3	101	5.9
84	15.5	102	5.5
85	14.8	103	5.2
86	14.1	104	4.9
87	13.4	105	4.5

## Social Security taxation thresholds

Up to a certain percentage of an individual's Social Security benefits is subject to taxation when his or her provisional income\* exceeds certain threshold amounts:

	Up to 50% taxed	Up to 85% taxed
Married/joint	\$32,000–\$44,000	More than \$44,000
Single	\$25,000–\$34,000	More than \$34,000
Married filing separately	85% taxable <sup>†</sup>	

\* Provisional income generally includes modified adjusted gross income (MAGI) plus nontaxable interest and one-half of Social Security benefits.

† There is an exception to this rule if you lived apart from your spouse for the entire year. Consult your tax advisor for more information.

## Estate, gift, and generation-skipping transfer tax

### Gift tax annual exclusion

\$15,000

### Estate and gift tax—basic exclusion

\$11,580,000

### Generation-skipping transfer (GST) tax exemption

\$11,580,000

### Estate, gift, and GST tax rate

40%

## Federal trust and estate income tax

Tax rates*	
If taxable income is:	The tax is:
\$0–\$2,600	10% of the taxable income
\$2,600–\$9,450	\$260.00 + 24% of excess over \$2,600
\$9,450–\$12,950	\$1,904.00 + 35% of excess over \$9,450
\$12,950 or more	\$3,129.00 + 37% of excess over \$12,950

\* See page 1 for corresponding capital gain and qualified dividend rates.

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