

2022 Tax Pocket Guide

BUSINESS

Depreciation

- 3-Year 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	20.00	33.33	14.29
2	32.00	44.45	24.49
3	19.20	14.81	17.49
4	11.52	7.41	12.49
5	11.52		8.93
6	5.76		8.92
7			8.93
8			4.46

Section 179 Expense

	2020	2021
Maximum expense election	\$ 1,080,000	\$ 1,050,000
Phaseout Threshold	\$ 2,700,000	\$ 2,620,000

CORPORATE INCOME TAX RATES

2022 Tax Year

The "C" corporation Federal tax rate is a flat 21%. Owners of business entities, which are not taxed as "C" corporations, are 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 the amount of capital assets owned by the business. For income above \$329,800 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.

STANDARD MILEAGE RATES

Use	2022	2021
Business	58.5¢ per mile	56¢ per mile
Moving	18¢ per mile *	16¢ per mile *
Medical	18¢ per mile	16¢ per mile
Charitable	14¢ per mile	14¢ per mile

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

ESTATE AND GIFT TAXES

Estate Taxes

	2022	2021
Lifetime exemption	\$ 12,060,000	\$ 11,700,000
Top estate tax rate	40%	40%

Gift Taxes

	2022	2021
Lifetime exemption	\$ 12,060,000	\$ 11,700,000
Annual gift tax exclusion		
Gifts per person	\$ 16,000	\$ 15,000
Joint gift by spouses	\$ 32,000	\$ 30,000
Top estate tax rate	40%	40

2022 TRUSTS AND ESTATES

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 2,750	..... 10%	\$ 0
\$ 2,751 – \$ 9,850	\$ 275 + 24%	\$ 2,750
\$ 9,851 – \$ 13,450	\$ 1,979 + 35%	\$ 9,850
13,451 and above	\$ 3,239 + 37%	\$ 13,450



CAPITAL GAIN — 2022 & 2021

Holding Period	Top Capital Gains Rate	
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% net investment income (i.e., Medicare) tax

2) Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.) Lower tax brackets pay 0% or 15%.

STANDARD DEDUCTION

	2022	2021
Married, filing jointly	\$ 25,900	\$ 25,100
Married, filing separately	\$ 12,950	\$ 12,550
Single	\$ 12,950	\$ 12,550
Head of household	\$ 19,400	\$ 18,800
Additional – blind or elderly		
Single	\$ 1,750	\$ 1,700
Married	\$ 1,400	\$ 1,350

Many itemized deductions were eliminated or restricted starting in 2018

ALTERNATIVE MINIMUM TAX

	2022	2021
Married, filing jointly	\$ 118,100	\$ 114,600
Married, filing separately	\$ 59,050	\$ 57,300
Single	\$ 75,900	\$ 73,600
Head of household	\$ 75,900	\$ 73,600

2022 INDIVIDUAL INCOME TAX RATES*

Joint Married Filers or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 20,550	..... 10%	\$ 0
\$ 20,551 – \$ 83,550	\$ 2,055 + 12%	\$ 20,550
\$ 83,550 – \$ 178,150	\$ 9,615 + 22%	\$ 83,550
\$ 178,151 – \$ 340,100	\$ 30,427 + 24%	\$ 178,150
\$ 340,101 – \$ 431,900	\$ 69,295 + 32%	\$ 340,100
\$ 431,901 – \$ 647,850	\$ 98,671 + 35%	\$ 431,900
\$ 647,851 and above	\$ 174,254 + 37%	\$ 647,850

Married Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 10,275	..... 10%	\$ 0
\$ 10,276 – \$ 41,775	\$ 1,028 + 12%	\$ 10,275
\$ 41,776 – \$ 89,075	\$ 4,808 + 22%	\$ 41,775
\$ 89,076 – \$ 170,050	\$ 15,214 + 24%	\$ 89,075
\$ 170,051 – \$ 215,950	\$ 34,648 + 32%	\$ 170,050
\$ 215,951 – \$ 323,925	\$ 49,336 + 35%	\$ 215,950
\$ 323,926 and above	\$ 87,127 + 37%	\$ 323,925

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 10,275	..... 10%	\$ 0
\$ 10,276 – \$ 41,775	\$ 1,028 + 12%	\$ 10,275
\$ 41,776 – \$ 89,075	\$ 4,808 + 22%	\$ 41,775
\$ 89,076 – \$ 170,050	\$ 15,214 + 24%	\$ 89,075
\$ 170,051 – \$ 215,950	\$ 34,648 + 32%	\$ 170,050
\$ 215,951 – \$ 539,900	\$ 49,336 + 35%	\$ 215,950
\$ 539,901 and above	\$ 162,718 + 37%	\$ 539,900

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 14,650	..... 10%	\$ 0
\$ 14,651 – \$ 55,900	\$ 1,465 + 12%	\$ 14,650
\$ 55,901 – \$ 89,050	\$ 6,415 + 22%	\$ 55,900
\$ 89,051 – \$ 170,050	\$ 13,708 + 24%	\$ 89,050
\$ 170,051 – \$ 215,950	\$ 33,148 + 32%	\$ 170,050
\$ 215,951 – \$ 539,900	\$ 47,836 + 35%	\$ 215,950
\$ 539,901 and above	\$ 161,219 + 37%	\$ 539,900

2022 Qualified Dividend Income is 0%, 15% or 20% (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: Tax amounts have been round up to nearest dollar.

2021 INDIVIDUAL INCOME TAX RATES*

Joint Married Filers or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 19,900	..... 10%	\$ 0
\$ 19,901 – \$ 81,050	\$ 1,990 + 12%	\$ 19,900
\$ 81,051 – \$ 172,750	\$ 9,328 + 22%	\$ 81,050
\$ 172,751 – \$ 329,850	\$ 29,502 + 24%	\$ 172,750
\$ 329,851 – \$ 418,850	\$ 67,206 + 32%	\$ 329,850
\$ 418,851 – \$ 628,300	\$ 95,686 + 35%	\$ 418,850
\$ 628,301 and above	\$ 168,994 + 37%	\$ 628,300



Married Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,950	..... 10%	\$ 0
\$ 9,951 – \$ 40,525	\$ 995 + 12%	\$ 9,950
\$ 40,526 – \$ 86,375	\$ 4,664 + 22%	\$ 40,525
\$ 86,376 – \$ 164,925	\$ 14,751 + 24%	\$ 86,375
\$ 164,926 – \$ 209,425	\$ 33,603 + 32%	\$ 164,925
\$ 209,426 – \$ 314,150	\$ 47,843 + 35%	\$ 209,425
\$ 314,151 and above	\$ 84,497 + 37%	\$ 314,150

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,950	..... 10%	\$ 0
\$ 9,951 – \$ 40,525	\$ 995 + 12%	\$ 9,950
\$ 40,526 – \$ 86,375	\$ 4,664 + 22%	\$ 40,525
\$ 86,376 – \$ 164,925	\$ 14,751 + 24%	\$ 86,375
\$ 164,926 – \$ 209,425	\$ 33,603 + 32%	\$ 164,925
\$ 209,426 – \$ 523,600	\$ 47,843 + 35%	\$ 209,425
\$ 523,601 and above	\$ 157,805 + 37%	\$ 523,600

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 14,200	..... 10%	\$ 0
\$ 14,201 – \$ 54,200	\$ 1,420 + 12%	\$ 14,200
\$ 54,201 – \$ 86,350	\$ 6,220 + 22%	\$ 54,200
\$ 86,351 – \$ 164,900	\$ 13,293 + 24%	\$ 86,350
\$ 164,901 – \$ 209,400	\$ 32,145 + 32%	\$ 164,900
\$ 209,401 – \$ 523,600	\$ 46,385 + 35%	\$ 209,400
\$ 523,601 and above	\$ 156,355 + 37%	\$ 523,600

2022 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 round up to nearest dollar.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2022	2021
Individual Retirement Accounts (IRAs)*	\$ 6,000	\$ 6,000
Section 401(k) plans or SAR-SEPs*	\$ 20,500	\$ 19,500
Section 403(b) plans*	\$ 20,500	\$ 19,500
Section 408(p)(2)(E) SIMPLE Contributions*	\$ 14,000	\$ 13,500
Section 457(b)(2) limit*	\$ 20,500	\$ 19,500
Section 415(b)(2) limit		
■ Defined contribution plans	\$ 61,000	\$ 58,000
■ Defined benefit plans	\$ 245,000	\$ 230,000
Highly compensated employees Section 414(q)	\$ 135,000	\$ 130,000
FICA taxable wage base		
■ Social Security	\$ 147,000	\$ 142,800
■ Medicare (tax rate 1.45% for employees; 2.90% for self-employed)**	No limit	No limit
* Age 50 additional contributions		
■ 401(k) type plans	\$ 6,500	\$ 6,500
■ SIMPLEs	\$ 3,000	\$ 3,000
■ IRAs	\$ 1,000	\$ 1,000

The Section 415 compensation limit for defined contribution plans is \$305,000.

** An additional tax rate of 0.9% on wages in excess of \$200,000 may apply

Roth IRAs

AGI Limit for maximum contributions:	2022	2021
Joint filers	\$ 204,000	\$ 199,000
Individual Files	\$ 129,000	\$ 125,000

Traditional IRAs

AGI Limits for Full Deductions	2022	2021
Joint filers	\$ 109,000 or \$ 204,000 *	\$ 105,000 or \$ 198,000 *
Individual Files	\$ 68,000	\$ 66,000

* Depending on whether you or your spouse are covered by a plan at work. The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

SOCIAL SECURITY

Annual Earned Income Limit	2022	2021
Under full retirement age	\$ 19,560	\$ 18,960
Full retirement age	No Limit	No Limit

For people reaching full retirement age in 2022, the limit is \$51,960 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

Contribution Limits	2022	2021
Individual, self-only	\$ 3,650	\$ 3,600
Family coverage	\$ 7,300	\$ 7,200
Catch-up for those age 55 and holder	\$ 1,000	\$ 1,000

For 2022, the minimum deductible for a high-deductible health plan (HDHP) is \$1,400 for self-only coverage and \$2,800 for family coverage. The maximum out-of-pocket limit is \$7,050 for self-only coverage and \$14,100 for family plans.