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WISDOM WEALTH STRATEGIES

2020 ANNUAL TAX & FINANCIAL PLANNING GUIDE

2020 TAX BRACKETS				
Rate	Single	Married Filing Joint	Married Filing Separate	Head of Household
10%	\$0 - \$9,875	\$0 - \$19,750	\$0 - \$9,875	\$0 - \$14,100
12%	\$9,876 - \$40,125	\$19,751 - \$80,250	\$9,876 - \$40,125	\$14,101 - \$53,700
22%	\$40,126 - \$85,525	\$80,251 - \$171,050	\$40,126 - \$85,525	\$53,701 - \$85,500
24%	\$85,526 - \$163,300	\$171,051 - \$326,600	\$85,526 - \$163,300	\$85,501 - \$163,300
32%	\$163,301 - \$207,350	\$326,601 - \$414,700	\$163,301 - \$207,350	\$163,301 - \$207,350
35%	\$207,351 - 518,400	\$414,701 - \$622,050	\$207,351 - 311,025	\$207,351 - \$518,400
37%	\$518,400+	\$622,050+	\$311,025+	\$518,400+
Note: Percentage applies to taxable income in that bracket only as brackets are graduated, not flat.				
EXAMPLE: Married Filing Joint Couple with \$100,000 of taxable income (after deductions)				
Take the difference between each bracket and multiply. Then add up each bracket for the total tax.				
\$0 to \$19,750	\$19,750		Times 10% Bracket	\$1,975
\$19,751 to \$80,250	\$80,250 - \$19,751 = \$60,499		Times 12% Bracket	\$7,260
\$80,251 to \$100,000	\$100,000 - \$80,251 = \$19,749		Times 22% Bracket	\$4,345
Tax liability before adjustments:				\$13,580

Special Long-Term Capital Gains Rates				
Rate	Single	Married Filing Joint	Married Filing Separate	Head of Household
0%	\$0 - \$40,000	\$0 - \$80,000	\$0 - \$40,000	\$0 - \$53,600
15%	\$40,001 - \$441,450	\$80,001 - \$496,600	\$40,001 - \$248,300	\$53,601 - \$469,050
20%	Over \$441,450	Over \$496,600	Over \$248,300	Over \$469,050

TAX EXEMPTIONS, DEDUCTIONS, & CREDITS	
Standard deduction	
Single	\$12,400
Married filing jointly	\$24,800
Head of household	\$18,650
Married filing separately	\$12,400
Kiddie tax deduction	\$1,100
Elderly or blind additional deduction	
Single	\$1,650
Married	\$1,300
Section 179	
Max election	\$1,040,000
Phaseout begins	\$2,590,000
Adoption Credit	
Maximum credit	\$14,300
Phaseout	\$214,520-254,520
Child Tax Credit	
Dependents 16 & younger	\$2,000
Other dependents	\$500
Single phaseout	\$200,000
MFJ phaseout	\$400,000

EDUCATIONAL TAX BENEFITS	
EE bonds for education phaseout	
Single	\$82,350-97,350
Married filing jointly	\$123,550-153,550
Coverdell ESA	
Single	\$95,000-110,000
Married filing jointly	\$190,000-220,000
Lifetime Learning Credit	
Single	\$59,000-69,000
Married filing jointly	\$118,000-138,000
American Opportunity Credit (Hope)	
100% up to \$2,000 of qualified expenses	
25% of the next \$2,000	
Single phaseout	\$80,000-90,000
Married filing jointly	\$160,000-180,000
Education loan deduction (max \$2,500)	
Single	\$70,000-85,000
Married filing jointly	\$140,000-170,000