

2019 Tax Brackets, Credits, Standard Deduction, and Other Changes

(These updates are subject to change without notification)

What Is a Tax Credit?

Subtract tax credits from the amount of tax you owe. There are two types of tax credits:

- A nonrefundable tax credit means you get a refund only up to the amount you owe.
- A refundable tax credit means you get a refund, even if it's more than what you owe.

What Is a Tax Deduction?

Subtract tax deductions from your income before you figure the amount of tax you owe.

Tax Year 2019 (Current Tax Year) Earned Income Tax Credit Income Limits and Maximum Credit Amounts

To **qualify for EITC** you must have earned income from working for someone or from running or owning a business or farm and meet basic rules. And, you must either meet additional rules for workers without a qualifying child or have a child that meets **all** the qualifying child rules for you.

Qualifying Children Claimed

If filing	Zero	One	Two	Three
Single, Head of Household, or Widowed	\$15,570	\$41,094	\$46,703	\$50,162
Married Filing Jointly	\$21,370	\$46,884	\$52,493	\$55,952

Investment Income Limit

Investment income must be \$3,600 or less for the year.

Maximum Credit Amounts

The maximum amount of credit for Tax Year 2019 is:

- \$6,557 with three or more qualifying children
- \$5,828 with two qualifying children
- \$3,526 with one qualifying child
- \$529 with no qualifying children

Child Tax Credit and Other Dependent Credit

Under the Tax Cuts and Jobs Act (TCJA) the following new child tax credit rules will take place starting in 2019, 2020:

- The Child Tax Credit is worth up to \$2,000 per qualifying child. The age cut-off remains at 17 (the child must be under 17 at the end of the year for taxpayers to claim the credit).
- The refundable portion of the credit is limited to \$1,400. This amount will be adjusted for inflation after 2018.
- The earned income threshold for the refundable credit is reduced to \$2,500.
- The beginning credit phase out for the child tax credit increases to \$200,000 (\$400,000 for joint filers). The phase out also applies to the **new \$500 credit** for other dependents.
- The child must have a valid SSN to qualify for the \$2,000 Child Tax Credit

Additional Child Tax Credit

If the refundable credit you receive from the standard Child Tax Credit is more than your taxes owed, you might receive an Additional Child Tax Credit (provided your income is at least \$3,000).

Form 1040 has all the information you need to calculate whether or not this applies to your current family situation. To receive this credit, Form 8812 Additional child Tax Credit must be filed with the return.

Tax Brackets, Standard Deduction, and Other Changes

While 2018 was a [major overhaul](#), the differences between 2019 and 2018 is minimal. The majority of the changes are mostly inflation adjustments from 2018's figures.

You can find answers to your questions about a particular amount that is not mention here, in the official IRS announcements: [Rev. Proc. 2018-57](#) (which contains most inflation adjustment figures) and [Notice 2018-83](#) (for figures relating to retirement accounts).

Single 2019 Tax Brackets

Taxable Income	Tax Bracket:

\$0-\$9,700	10%
\$9,700-\$39,475	12%
\$39,475-\$84,200	22%
\$84,200-\$160,725	24%
\$160,725-\$204,100	32%
\$204,100-\$510,300	35%
\$510,300+	37%

Married Filing Jointly 2019 Tax Brackets

Taxable Income	Tax Bracket:
\$0-\$19,400	10%
\$19,400-\$78,950	12%
\$78,950-\$168,400	22%
\$168,400-\$321,450	24%
\$321,450-\$408,200	32%
\$408,200-\$612,350	35%
\$612,350+	37%

Head of Household 2019 Tax Brackets

Taxable Income	Tax Bracket:
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\$0-\$13,850	10%
\$13,850-\$52,850	12%
\$52,850-\$84,200	22%
\$84,200-\$160,700	24%
\$160,700-\$204,100	32%
\$204,100-\$510,300	35%
\$510,300+	37%

Married Filing Separately 2019 Tax Brackets

Taxable Income	Marginal Tax Rate:
\$0-\$9,700	10%
\$9,700-\$39,475	12%
\$39,475-\$84,200	22%
\$84,200-\$160,725	24%
\$160,725-\$204,100	32%
\$204,100-\$306,175	35%
\$306,175+	37%

Standard Deduction Amounts

The 2019 standard deduction amounts are as follows:

- Single or married filing separately: \$12,200

- Married filing jointly: \$24,400
- Head of household: \$18,350

The additional standard deduction for people who have reached age 65 (or who are blind) is \$1,300 for each married taxpayer or \$1,650 for unmarried taxpayers.

IRA Contribution Limits

The contribution limit for Roth IRA and traditional IRA accounts has increased to \$6,000.

The catch-up contribution limit for people age 50 or over does not get inflation adjustments and therefore is still \$1,000.

401(k), 403(b), 457(b) Contribution Limits

The salary deferral limit for 401(k) and other similar plans has increased to \$19,000.

The catch-up contribution limit for 401(k) and other similar plans is unchanged, at \$6,000.

The maximum possible contribution for defined contribution plans (e.g., for a self-employed person with a sufficiently high income contributing to a [solo 401\(k\)](#)) is increased to \$56,000.

Capital Gains and Qualified Dividends

For 2019, long-term capital gains and qualified dividends face the following tax rates:

- 0% tax rate if they fall below \$78,750 of taxable income if married filing jointly, \$52,750 if head of household, or \$39,375 if filing as single or married filing separately.
- 15% tax rate if they fall above the 0% threshold but below \$488,850 if married filing jointly, \$461,700 if head of household, \$434,550 if single, or \$244,425 if married filing separately.
- 20% tax rate if they fall above the 15% threshold.

Alternative Minimum Tax (AMT)

The AMT exemption amount is increased to:

- \$71,700 for single people and people filing as head of household,
- \$111,700 for married people filing jointly, and
- \$55,850 for married people filing separately.

Estate Tax

The estate tax exclusion is increased to \$11.4 million per decedent.

Individual Mandate

Beginning in 2019, the individual mandate (i.e., the penalty for not having health insurance) has disappeared.

Alimony Payments

For divorces that become finalized in 2019 or later, alimony payments are no longer deductible to the payor, nor includable as income to the payee.

Pass-Through Business Income

With respect to the [20% deduction for qualified pass-through income](#), for 2019, the threshold amount at which the “specified service trade or business” phaseout and the wage (or wage+property) limitations begin to kick in will be \$321,400 for married taxpayers filing jointly, \$160,725 for married taxpayers filing separately, and \$160,700 for single taxpayers or people filing as head of household.

Standard mileage rates for 2020 (2019 Taxes)

Beginning on January 1, 2020, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 57.5 cents per mile driven for business use, down one half of a cent from the rate for 2019,
- 17 cents per mile driven for medical or moving purposes, down three cents from the rate for 2019, and
- 14 cents per mile driven in service of charitable organizations.

The business mileage rate decreased one half of a cent for business travel driven and three cents for medical and certain moving expense from the rates for 2019. The charitable rate is set by statute and remains unchanged.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, except members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details, see [Rev. Proc. 2019-46 \(PDF\)](#).

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than five vehicles used simultaneously. These and other limitations are described in section 4.05 of [Rev. Proc. 2019-46 \(PDF\)](#).