

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

| | 2022 | 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

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, 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 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 |
|---|---------------|---------------|
| Estate tax exemption/Unified tax credit | \$ 12,060,000 | \$ 11,700,000 |
| Top estate tax rate | 40% | 40% |

Gift Taxes

| | 2022 | 2021 |
|-----------------------------|---------------|---------------|
| Lifetime gift tax exemption | \$ 12,060,000 | \$ 11,700,000 |
| Annual gift tax exclusion | | |
| Gifts per person | \$ 16,000 | \$ 15,000 |
| Joint gifts by spouse | \$ 32,000 | \$ 30,000 |
| Top gift 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 + 5% | \$ 9,850 |
| \$ 13,451 and above | \$ 3,239 + 37% | \$ 13,450 |

LONG-TERM CARE INSURANCE

| If you are: | You may deduct this much of your annual premiums | |
|--------------|--|----------|
| | 2022 | 2021 |
| Over 70 | \$ 5,640 | \$ 5,640 |
| 61 to 70 | \$ 4,510 | \$ 4,520 |
| 51 to 60 | \$ 1,690 | \$ 1,690 |
| 41 to 50 | \$ 850 | \$ 850 |
| 40 and under | \$ 450 | \$ 450 |

CAPITAL GAINS — 2022 & 2021

| Holding Period | 2022 | 2021 |
|---|--------------------|--------------------|
| 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 — 2022 & 2021

| | 2022 | 2021 |
|----------------------|--------------------------|--------------------------|
| • 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.

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2022 POCKET TAX GUIDE



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2022 INDIVIDUAL INCOME TAX RATES*

Married, Filing Jointly 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 |
| \$ 83,551 – \$ 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, filing |

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 | \$ 86,127 + 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 | \$ 162,219 + 37% | \$ 539,900 |

The 2022 tax rate on qualified dividends 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 ROUNDED UP

PERSONAL EXEMPTIONS

| | 2018 – 2025 | 2017 |
|--|-------------|------------|
| Deduction for each taxpayer, spouse, and dependent * | \$0 | \$ 4,050 |
| There is an AGI phaseout beginning at: | | |
| Married, filing jointly | \$0 | \$ 313,800 |
| Married, filing separately | \$0 | \$ 156,900 |
| Single | \$0 | \$ 261,500 |
| Head of household | \$0 | \$ 287,650 |

* There are no personal exemption amounts for 2018 through 2025.

2021 INDIVIDUAL INCOME TAX RATES*

Married, Filing Jointly and 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 | \$ 157,804 + 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 |

2021 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 DEDUCTIONS

| | 2022 | 2021 |
|-----------------------------------|-----------|-----------|
| Married, filing jointly | \$ 25,900 | \$ 25,100 |
| Single/married, filing separately | \$ 12,950 | \$ 12,550 |
| Head of household | \$ 19,400 | \$ 18,800 |
| Additional — blind or elderly | | |

If you're at least 65 years old or blind, you can claim an additional standard deduction of \$1,400 in 2022 (\$1,750 if you're claiming the single or head of household filing status). If you're both 65 or older and blind, the additional deduction amount is doubled.

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 limit for: | | |
| 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 |

Roth IRAs

| AGI limit for maximum contributions: | 2022 | 2021 |
|--------------------------------------|------------|------------|
| Joint filers | \$ 204,000 | \$ 198,000 |
| Individual filers | \$ 129,000 | \$ 125,000 |

Traditional IRAs

| AGI limits for full deductions: | 2022 | 2021 |
|---------------------------------|------------|--------------|
| Joint filers | \$ 109,000 | \$ 105,000 * |
| Individual filers | \$ 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 older | \$ 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. | | |

ALTERNATIVE MINIMUM TAX

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