

	2021 FEDERAL	2021 CALIFORNIA
STANDARD DEDUCTIONS		
Single	\$ 12,550	\$4,803
Married Filing Jointly, Surviving Spouse	25,100	9,606
Married Filing Separately	12,550	4,803
Head of Household	18,800	9,606
Additional for Age 65 and Older or Blind—Married	1,350	
Additional for Age 65 and Older or Blind—Unmarried (per individual for each situation, age or blind)	1,700	
Taxpayer Claimed as a Dependent	1,100	1,100
PERSONAL OR DEPENDENT EXEMPTION	Suspended for tax years 2018 - 2025	
MAXIMUM CHILD TAX CREDIT (QUALIFYING CHILD UNDER AGE 17)		
Single/Head of Household/Married Filing Separate AGI Phaseout: \$200,000 - 240,000	\$2,000	
Married Filing Jointly AGI Phaseout \$400,000 - \$440,000	2,000	
REFUNDABLE PORTION OF CHILD TAX CREDIT	\$3,000	
"KIDDIE TAX" UNEARNED INCOME EXEMPTION	\$1,100	
CALIFORNIA EXEMPTION CREDITS		
Single, Married Filing Separately, Head of Household		\$129
Married Filing Jointly, Surviving Spouse		258
Dependent		400
Blind or Age 65 and Older		129
SENIOR HEAD OF HOUSEHOLD CREDIT		
2% of California taxable income, maximum credit of California AGI threshold of \$83,039		\$1,565

2021 FEDERAL

2021 CALIFORNIA

**CALIFORNIA JOINT CUSTODY HEAD OF HOUSEHOLD
CREDIT AND DEPENDENT PARENT CREDIT**

30% of net tax with maximum credit of \$ 513

CALIFORNIA YOUNG CHILD TAX CREDIT

For children younger than 6 years old on the last day of the tax year
AGI phaseout \$25,000 - \$30,000 with a max credit of \$1,000

CALIFORNIA RENTER'S CREDIT

Married Filing Jointly, Head of Household,
Surviving Spouse if AGI is below \$90,896 \$ 120
Single or Married Filing Separately if
AGI is below \$45,448 \$ 60

IRC SECTION 179 DEDUCTION \$ 1,050,000 \$ 25,000
Section 179 Purchase Phase-out 2,620,000 200,000

**BEGINNING OF PERSONAL EXEMPTION PHASE-OUT
RANGE—BASED ON FEDERAL AGI**

Single N/A \$ 212,288
Married Filing Jointly, Surviving Spouse N/A 424,581
Married Filing Separately N/A 212,288
Head of Household N/A 318,437

**BEGINNING OF ITEMIZED DEDUCTION PHASE-OUT
RANGE—BASED ON FEDERAL AGI**

Single Limitation on \$ 212,288
Married Filing Jointly, Surviving Spouse federal itemized 424,581
Married Filing Separately deductions is 212,288
Head of Household suspended for tax 318,437
Rate Reduced over federal AGI limits years 2018 - 2025 6%

SCHEDULE A MEDICAL DEDUCTION

Based on federal AGI 7.5% 7.5%

SCHEDULE A STATE & LOCAL TAX DEDUCTION MAX

Married Filing Separately \$ 5,000 N/A
All others \$ 10,000 N/A

SCHEDULE A MORTGAGE INTEREST CAP Only deductible on debt Only deductible on debt
up to \$750,000* up to \$1,000,000

*Loans entered into before December 15, 2017 are not subject to this limitation.

	2021 FEDERAL	2021 CALIFORNIA
SCHEDULE A MISCELLANEOUS DEDUCTION	Suspended for tax	
Based on federal AGI	years 2018 - 2025	2%
ALTERNATIVE MINIMUM TAX (AMT) RATE		
AMTI Less Exemption up to \$199,900	26%	
AMTI Less Exemption over \$199,900 (\$99,950 if Married Filing Separately)	28%	
AMTI Less Exemption		6.65%
AMT EXEMPTION AMOUNTS		
Married Filing Jointly, Surviving Spouse	\$ 114,600	\$104,094
Single, Head of Household	73,600	78,070
Married Filing Separately	57,300	52,044
Estate or Trust	25,700	52,044
AMT EXEMPTION PHASE-OUT		
Married Filing Jointly, Surviving Spouse	\$1,047,200	\$390,351
Single, Head of Household	523,600	292,763
Married Filing Separately	523,600	195,172
Estate or Trust	85,650	195,172
199A OVERVIEW		
Maximum Deduction	20% of Qualified Business Income*	Federal Only
*subject to wage and property limitations if AGI is above:		
Married Filing Jointly	\$329,800	
Married Filing Separately	164,925	
All Others	164,900	
SELF-EMPLOYED HEALTH INSURANCE PREMIUMS		
Adjustment for AGI, percentage of total qualifying health insurance premiums	100%	100%

2021 FEDERAL

2021 CALIFORNIA

AUTO STANDARD MILEAGE ALLOWANCES

Business	.56	.56
Charity work - general	.14	.14
Medical or moving	.16	.16

U.S. SAVINGS BOND INTEREST EXCLUSION PHASE-OUT**BASED ON MODIFIED AGI**

Joint Return, Surviving Spouse	\$124,800 - 154,800
All Others	83,200 - 98,200

CALIFORNIA SDI

Federal tax deduction*

Annual wage limit	\$128,298
Rate	1.2%
Maximum Tax	1,539.58

*Amounts paid to a voluntary program in lieu of the state programs are not deductible, but may be a credit on California return.

2021 FEDERAL TAX RATE SCHEDULES

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
SINGLE				
\$0	\$9,950	\$0	10%	\$0
9,950	40,525	995.00	12%	9,950
40,525	86,375	4,664.00	22%	40,525
86,375	164,925	14,751.00	24%	86,375
164,925	209,425	33,603.00	32%	164,925
209,425	523,600	47,843.00	35%	209,425
523,600	and more	156,804.25	37%	523,600
HEAD OF HOUSEHOLD				
\$0	\$14,200	\$0	10%	\$0
14,200	54,200	1,420.00	12%	14,200
54,200	86,350	6,220.00	22%	54,200
86,350	164,900	13,293.00	24%	86,350
164,900	209,400	32,145.00	32%	164,900
209,400	523,600	46,385.00	35%	209,400
523,600	and more	156,355.00	37%	523,600
MARRIED FILING JOINTLY OR SURVIVING SPOUSE				
\$0	\$19,900	\$0	10%	\$0
19,900	81,050	1,990.00	12%	19,900
81,050	172,750	9,328.00	22%	81,050
172,750	329,850	29,502.00	24%	172,750
329,850	418,850	67,206.00	32%	329,850
418,850	628,300	95,686.00	35%	418,850
628,300	and more	168,993.50	37%	628,300

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
MARRIED FILING SEPARATELY				
\$0	\$9,950	\$0	10%	\$0
9,950	40,525	995.00	12%	9,950
40,525	86,375	4,664.00	22%	40,525
86,375	164,925	14,751.00	24%	86,375
164,925	209,425	33,603.00	32%	164,925
209,425	314,150	47,843.00	35%	209,425
314,150	and more	84,496.75	37%	314,150
ESTATE OR NONGRANTOR TRUST				
\$0	\$2,650	\$0	10%	\$0
2,650	9,550	265.00	24%	2,650
9,550	13,050	1,921.00	35%	9,550
13,050	and more	3,146.00	37%	13,050

2021 CALIFORNIA TAX RATE SCHEDULES

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
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SINGLE, MARRIED FILING SEPARATELY OR FIDUCIARY RETURN

\$0	\$9,325	\$0	1.00%	\$0
9,325	22,107	93.25	2.00%	9,325
22,107	34,892	348.89	4.00%	22,107
34,892	48,435	860.29	6.00%	34,892
48,435	61,214	1,672.87	8.00%	48,435
61,214	312,686	2,695.19	9.30%	61,214
312,686	375,221	26,082.09	10.30%	312,686
375,221	625,369	32,523.20	11.30%	375,221
625,369	and more	60,789.92	12.30%	625,369

An additional 1% surcharge applies to taxable income in excess of \$1 million.

MARRIED FILING JOINTLY OR SURVIVING SPOUSE

\$0	\$18,650	\$0	1.00%	\$0
18,650	44,214	186.50	2.00%	18,650
44,214	69,784	697.78	4.00%	44,214
69,784	96,870	1,720.58	6.00%	69,784
96,870	122,428	3,345.74	8.00%	96,870
122,428	625,372	5,390.38	9.30%	122,428
625,372	750,442	52,164.17	10.30%	625,372
750,442	1,250,738	65,046.38	11.30%	750,442
1,250,738	and more	121,579.83	12.30%	1,250,738

An additional 1% surcharge applies to taxable income in excess of \$1 million.

TAXABLE INCOME IS OVER	BUT NOT OVER	PAY	+%	OF THE AMOUNT OVER
HEAD OF HOUSEHOLD				
\$0	\$18,663	\$0	1.00%	\$0
18,663	44,217	186.63	2.00%	18,663
44,217	56,999	697.71	4.00%	44,217
56,999	70,542	1,208.99	6.00%	56,999
70,542	83,324	2,021.57	8.00%	70,542
83,324	425,251	3,044.13	9.30%	83,324
425,251	510,303	34,843.34	10.30%	425,251
510,303	850,503	43,603.70	11.30%	510,303
850,503	and more	82,046.30	12.30%	850,503

An additional 1% surcharge applies to taxable income in excess of \$1 million.

LUXURY AUTO LIMIT

Depreciation limitations for automobiles acquired **AFTER** 2017 and first placed in service during the 2021 calendar year, for which the section 168(k) additional first year depreciation deduction applies.

Year	First	Second	Third	Thereafter
2021	\$18,200	16,400	9,800	5,860

Depreciation limitations for automobiles first placed in service during the 2021 calendar year, for which the section 168(k) additional first year depreciation deduction does **NOT** apply.

Year	First	Second	Third	Thereafter
2021	\$10,200	16,400	9,800	5,860

SOCIAL SECURITY AND MEDICARE TAXES

	2020	2021
SOCIAL SECURITY TAX		
Maximum wage base	\$137,700	\$142,800
Social Security rate - employee	6.2%	6.2%
Social Security rate - employer	6.2%	6.2%
Social Security rate - self-employed	12.4%	12.4%

MEDICARE TAX		
Maximum wage base	Unlimited	Unlimited
Medicare rate - employee/employer	1.45%	1.45%
Medicare rate - self-employed	2.90%	2.90%
Monthly Medicare Part B Premium	\$144.60	\$148.50

ADDITIONAL MEDICARE TAX

An additional 0.9% Medicare tax is imposed on an employee's wages received in excess of

Married Filing Jointly	\$250,000	\$250,000
Married Filing Separately	125,000	125,000
Qualifying Widower w/Dependent	200,000	200,000
Single/Head of Household	200,000	200,000

NET INVESTMENT INCOME TAX (NIIT) - ALSO KNOWN AS THE UNEARNED INCOME MEDICARE CONTRIBUTION TAX

An additional 3.8% tax may be imposed on net investment income if modified AGI is in excess of

Married Filing Jointly	\$250,000	\$250,000
Married Filing Separately	125,000	125,000
Qualifying Widower w/Dependent	250,000	250,000
Single/Head of Household	200,000	200,000

EARNED INCOME CEILINGS FOR SOCIAL SECURITY BENEFITS

Under full retirement age	\$18,240	\$18,960
At full retirement age	Unlimited	Unlimited

RETIREMENT PLAN LIMITATIONS

	2020	2021
Maximum 401(k) or 403(b) Deferral	\$19,500	\$19,500
Maximum Defined Contribution Plan or SEP Contribution	57,000	58,000
Maximum Annual Benefit for Defined Benefit Plans	230,000	230,000
Annual Compensation Limit for Computing Plan Benefits	285,000	290,000
Annual Compensation Limit for the Definition of Highly Compensated Employee IRC Section 414(q)	130,000	130,000
Compensation Minimum for SEP plan	600	650
Maximum Contribution for SIMPLE plan	13,500	13,500
Catch-up Contribution for 401(k) or 403(b) for taxpayers age 50 and older	6,500	6,500
Catch-up Contribution for SIMPLE plan for taxpayers age 50 and older	3,000	3,000

KEY EMPLOYEE FOR TOP HEAVY PURPOSES:

Officers Earning Over	\$185,000	\$185,000
A more-than-5% Owner	N/A	N/A
A more-than-1% Owner Earning Over	150,000	150,000

TRADITIONAL AND ROTH IRAS

	2020	2021
Contribution Limit	\$6,000	\$6,000
Catch-up Contribution age 50 and older	1,000	1,000

IRA DEDUCTION PHASE-OUT FOR ACTIVE PARTICIPANTS

Single or Head of Household	\$65,000 - 75,000	\$66,000 - 76,000
Married Filing Jointly	104,000 - 124,000	105,000 - 125,000
Married Filing Separately	0 - 10,000	0 - 10,000

IRA DEDUCTION PHASE-OUT FOR SPOUSAL CONTRIBUTIONS

Married Filing Jointly	\$196,000 - 206,000	\$198,000 - 208,000
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ROTH IRA CONTRIBUTION PHASE-OUT

Single or Head of Household	\$124,000 - 139,000	\$125,000 - 140,000
Married Filing Jointly	196,000 - 206,000	198,000 - 208,000
Married Filing Separately	0 - 10,000	0 - 10,000

ROTH IRA CONVERSION PHASE-OUT

All Filing Statuses	No AGI Limit	No AGI Limit
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IRA AND PENSION CREDIT

Saver's Credit Rate applied to maximum contribution of \$2,000, based on AGI.

JOINT FILERS	HEADS OF HOUSEHOLD	ALL OTHERS	CREDIT RATE
\$0 - 39,500	\$0 - 29,625	\$0 - 19,750	50%
39,500 - 43,000	29,625 - 32,250	19,750 - 21,500	20%
43,000 - 66,000	32,250 - 49,500	21,500 - 33,000	10%
Over 66,000	Over 49,500	Over 33,000	0%

ESTATE AND GIFT TAX

CALENDAR YEAR	ESTATE/GST TAX TRANSFER EXEMPTION	HIGHEST ESTATE AND GIFT TAX RATE
2020	\$11,580,000	40%
2021	\$11,700,000	40%

Gift tax:

Annual Gift Limitation of \$15,000 for 2021

EDUCATION-RELATED TAX BENEFITS

COVERDELL EDUCATIONAL SAVINGS ACCOUNTS

Annual Contribution Limit		\$2,000
Contribution phase-out based on modified AGI		
Married Filing Jointly	\$190,000 - 220,000	
All Others	95,000 - 110,000	

STUDENT LOAN INTEREST DEDUCTION

Maximum interest deduction		\$2,500
Deduction phase-out based on modified AGI		
Married Filing Jointly	\$140,000 - 170,000	
All Others	70,000 - 85,000	

AMERICAN OPPORTUNITY TAX CREDIT

Maximum Credit		\$2,500
Credit phase-out based on modified AGI		
Married Filing Jointly	\$160,000 - 180,000	
All Others	80,000 - 90,000	

LIFETIME LEARNING CREDIT

Maximum Credit		\$2,000
Credit phase-out based on modified AGI		
Married Filing Jointly	\$160,000 - 180,000	
All Others	80,000 - 90,000	

IMPORTANT PHONE NUMBERS

TAX PRACTITIONER HOTLINES

IRS Priority Service (866) 860-4259

FTB (916) 845-7057

FTB Fax (916) 845-9300

FTB e-file (916) 845-0353

EDD (888) 745-3886

CDTFA (800) 401-3661

APPLICATION FOR TAXPAYER ID NUMBER

Federal Form SS-4 Online: www.irs.gov/businesses *

Federal Form SS-4 Fax (855) 215-1627

EDD Form DE 1 Fax (916) 654-9211

EDD Form DE 1 Online: https://edd.ca.gov/payroll_taxes/save_time_and_register_online.htm

NOTE:

*For Federal Form SS-4 Phone: IRS no longer issues EINs by telephone for domestic taxpayers. Only international applicants can receive an EIN by telephone.

For questions or more information, please contact our tax professionals at taxalerts@windes.com or toll free at **844.4WINDES** (844.494.6337).

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