

# 2022 Quick Tax Reference Guide



## Federal Income Taxes

| Over                 | But not over | Tax +        | % on excess | Of the amount over |
|----------------------|--------------|--------------|-------------|--------------------|
| <b>Single Filers</b> |              |              |             |                    |
| \$0                  | \$10,275     | \$0.00       | 10.0%       | \$0                |
| \$10,276             | \$41,775     | \$1,027.50   | 12.0%       | \$10,275           |
| \$41,776             | \$89,075     | \$4,807.50   | 22.0%       | \$41,775           |
| \$89,076             | \$170,050    | \$15,213.50  | 24.0%       | \$89,075           |
| \$170,051            | \$215,950    | \$34,647.50  | 32.0%       | \$170,050          |
| \$215,981            | \$539,900    | \$49,335.50  | 35.0%       | \$215,950          |
| \$539,901            | ∞            | \$162,718.00 | 37.0%       | \$539,900          |

| Over                          | But not over | Tax +        | % on excess | Of the amount over |
|-------------------------------|--------------|--------------|-------------|--------------------|
| <b>Married Filing Jointly</b> |              |              |             |                    |
| \$0                           | \$20,550     | \$0.00       | 10.0%       | \$0                |
| \$20,551                      | \$83,550     | \$2,055.00   | 12.0%       | \$20,550           |
| \$83,551                      | \$178,150    | \$9,615.00   | 22.0%       | \$83,550           |
| \$178,151                     | \$340,100    | \$30,427.00  | 24.0%       | \$178,150          |
| \$340,101                     | \$431,900    | \$69,295.00  | 32.0%       | \$340,100          |
| \$431,901                     | \$647,850    | \$98,671.00  | 35.0%       | \$431,900          |
| \$647,851                     | ∞            | \$174,253.50 | 37.0%       | \$647,850          |

| Over                             | But not over | Tax +       | % on excess | Of the amount over |
|----------------------------------|--------------|-------------|-------------|--------------------|
| <b>Married Filing Separately</b> |              |             |             |                    |
| \$0                              | \$10,275     | \$0.00      | 10.0%       | \$0                |
| \$10,276                         | \$41,775     | \$1,027.50  | 12.0%       | \$10,275           |
| \$41,776                         | \$89,075     | \$4,807.50  | 22.0%       | \$41,775           |
| \$89,076                         | \$170,050    | \$15,213.50 | 24.0%       | \$89,075           |
| \$170,051                        | \$215,950    | \$34,647.50 | 32.0%       | \$170,050          |
| \$215,981                        | \$323,925    | \$49,335.50 | 35.0%       | \$215,950          |
| \$323,926                        | ∞            | \$87,126.75 | 37.0%       | \$323,925          |

| Over                     | But not over | Tax +        | % on excess | Of the amount over |
|--------------------------|--------------|--------------|-------------|--------------------|
| <b>Head of Household</b> |              |              |             |                    |
| \$0                      | \$14,650     | \$0.00       | 10.0%       | \$0                |
| \$14,651                 | \$55,900     | \$1,465.00   | 12.0%       | \$14,650           |
| \$55,901                 | \$89,050     | \$6,415.00   | 22.0%       | \$55,900           |
| \$89,051                 | \$170,050    | \$13,708.00  | 24.0%       | \$89,050           |
| \$170,051                | \$215,950    | \$33,148.00  | 32.0%       | \$170,050          |
| \$215,981                | \$539,900    | \$47,836.00  | 35.0%       | \$215,950          |
| \$539,901                | ∞            | \$161,218.50 | 37.0%       | \$539,900          |

| Over                        | But not over | Tax +   | % on excess | Of the amount over |
|-----------------------------|--------------|---------|-------------|--------------------|
| <b>Trusts &amp; Estates</b> |              |         |             |                    |
| \$0                         | \$2,750      | \$0.00  | 10.0%       | \$0                |
| \$2,751                     | \$9,850      | \$275   | 24.0%       | \$2,750            |
| \$9,851                     | \$13,450     | \$1,979 | 35.0%       | \$9,850            |
| \$13,451                    | ∞            | \$3,239 | 37.0%       | \$13,450           |

|                        | 2022     | 2021     |
|------------------------|----------|----------|
| Single                 | \$12,950 | \$12,550 |
| Married filing Jointly | \$25,900 | \$25,100 |
| Head of Household      | \$19,400 | \$18,800 |

Source: IRS.gov

## Maximum Compensation Subject to FICA Taxes

|                         |           |
|-------------------------|-----------|
| OASDI (Social Security) | \$147,000 |
| HI (Medicare) maximum   | No Limit  |

OASDI and HI tax rate: 12.4% OASDI and 2.9% HI (15.3% combined) for self-employed; 6.2% and 1.45% (7.65% combined) for employees. An additional 0.9% HI tax imposed on individuals with wages or self-employment income in excess of \$200,000 (single and qualifying widow(er)s) or \$250,000 (married/ filing jointly).

## Deduction for State & Local Taxes

Individuals may deduct state and local income (or sales) taxes and real and personal property taxes up to \$10,000 (\$5,000 if married filing separately) in the aggregate.

## Tax on Capital Gains & Qualified Dividends

| Single                               | Married/Filing Jointly/<br>Qualifying Widower(er) | Tax Rate |
|--------------------------------------|---|----------|
| \$0 - \$41,675                       | \$0 - \$83,350                                    | 0%       |
| Over \$41,675 but not over \$459,750 | Over \$83,350 but not over \$517,200              | 15%      |
| Over \$459,750                       | Over \$517,200                                    | 20%      |

Source: IRS Revenue Procedure 2019-44 and the Tax Cuts and Jobs Act of 2017

## Medicare Surtax of 3.8% imposed on net investment if:

|   |                      |
|---|----------------------|
| Married filing Jointly                          | MAGI above \$250,000 |
| Married filing Separately                       | MAGI above \$125,000 |
| Qualifying Widow(er) w/ dep child               | MAGI above \$250,000 |
| Estates & Trusts w/undistributed net inv income | MAGI above \$12,750  |
| All other filers                                | MAGI above \$200,000 |

Source IRC Section 1411(B)

## Kiddie Tax

Child's unearned income above \$2,300 is generally subject to taxation at the parent's marginal tax rate; unearned income above \$1,150 but not more than \$2,300 is taxed at the child's tax rate.

Applies if either parent of the child is alive at the close of the taxable year, the child does not file a joint return for the taxable year, and the child either (a) has not attained age 18 by close of the year, (b) has attained age 18 before the close of the year, but the child's earned income represents not more than one half of support needs and the child has not attained age 19 by the close of the year, or (c) the child is a full-time student who has not attained age 24 as of the close of the year and the child's earned income represents not more than one-half of support needs.

Preferential rates on long-term capital gains and qualified dividends are applicable; 3.8% federal NII tax is imposed separately on each child if modified AGI exceeds threshold amounts stated above.

## AMT Exemptions

|  |           |
|--|-----------|
| Single   | \$75,900  |
| Married filing Jointly & Qualifying Widow(er)s | \$118,100 |

- Phases out beginning with alternative minimum taxable income over \$1,079,800 (married/filing jointly and qualifying widow(er)s) or \$539,900 (single filers); AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$206,100 (married/filing jointly and qualifying widow(er)s), and single.

## Deduction for Mortgage Interest

- Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits
- Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence

## Child Tax Credit

- \$2,000 per "qualifying child" (who has not attained age 17 during the year); phased out as modified AGI exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,500 per child is refundable
- \$500 nonrefundable credit for qualified dependents other than qualifying children (with some modified AGI phaseouts)

## Business Income Taxes

|   |                      |
|---|----------------------|
| <b>C Corporations</b>                           |                      |
| Taxable Net Income                              | 21% Tax Rate         |
| <b>S Corporations &amp; LLCs</b>                |                      |
| Taxable K-1 Pass-Through Income to Shareholders | Individual Tax Rates |

- "Qualified Business Income" is eligible for a 20% K-1 Deduction (ie. 37% bracket 29.6% net marginal rate)
- Generally, "Specified Service Businesses are not eligible for a 20% K-1 Deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds.



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## Retirement Plans

| IRA Annual Contribution Limit |         |         |
|-------------------------------|---------|---------|
|                               | 2022    | 2021    |
| Contribution Limit            | \$6,000 | \$6,000 |
| 50+ Catch-up                  | \$1,000 | \$1,000 |

| Traditional IRA Deductibility Phase-Out Based on MAGI |                       |                       |
|---|-----------------------|-----------------------|
| Participants in Employers Plans                       | 2022                  | 2021                  |
| Married filing jointly or qualifying widow(er)        | \$109,000 - \$129,000 | \$105,000 - \$125,000 |
| Married filing separately                             | \$0 - \$10,000        | \$0 - \$10,000        |
| Single or Head of Household                           | \$68,000 - \$78,000   | \$66,000 - \$76,000   |

Nonparticipant married to participant

|                           |                       |                       |
|---------------------------|-----------------------|-----------------------|
| Married Filing Jointly    | \$204,000 - \$214,000 | \$198,000 - \$208,000 |
| Married filing separately | \$0 - \$10,000        | \$0 - \$10,000        |

| Roth IRA Phase-Out Based on MAGI   |                       |                       |
|--|-----------------------|-----------------------|
|  | 2022                  | 2021                  |
| Married filing jointly or qualifying widow(er)   | \$204,000 - \$214,000 | \$198,000 - \$208,000 |
| Married filing separately and lived with your spouse                                       | \$0 - \$10,000        | \$0 - \$10,000        |
| Single or Head of Household, or Married Filing Separately and lived apart from your spouse | \$129,000 - \$144,000 | \$125,000 - \$140,000 |

Source: IRS.gov

| SEP IRA & Simple IRA Contribution Limits      |           |           |
|---|-----------|-----------|
|   | 2022      | 2021      |
| Maximum annual additions to a SEP IRA         | \$61,000  | \$58,000  |
| Maximum compensation considered for a SEP IRA | \$305,000 | \$290,000 |
| SIMPLE IRA salary deferral amount             | \$14,000  | \$13,500  |
| 50+ Catch-up                                  | \$3,000   | \$3,000   |

Source: IRS.gov

| Qualified Plans   |           |           |
|---|-----------|-----------|
|   | 2022      | 2021      |
| 401(k), 403(b), 457(b) salary deferral <sup>1</sup>     | \$20,500  | \$19,500  |
| 50+ Catch-up  | \$6,500   | \$6,500   |
| SIMPLE IRA salary deferral amount                       | \$14,000  | \$13,500  |
| SIMPLE Salary deferral 50+ Catch-up                     | \$3,000   | \$3,000   |
| Maximum annual additions in a defined contribution plan | \$61,000  | \$58,000  |
| Maximum Annual benefit in defined benefit plan          | \$245,000 | \$235,000 |
| Maximum compensation considered                         | \$305,000 | \$290,000 |
| Highly compensated employee                             | \$135,000 | \$130,000 |
| Key employee - Officer                                  | \$200,000 | \$185,000 |

<sup>1</sup> Special catch-up rules applies to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years before retirement.

Source: IRS News Release IR-2015-118

| Modified AGI Phase-outs - American Opportunity Tax Credit |                       |
|---|-----------------------|
| Married / Filing Jointly                                  | \$160,001 - \$179,999 |
| Others  | \$80,001 - \$89,999   |

| Modified AGI Phase-outs - Lifetime Learning Credit |                       |
|--|-----------------------|
| Married / Filing Jointly                           | \$160,001 - \$179,999 |
| Others   | \$80,001 - \$89,999   |

Source: IRS.gov

## Healthcare

| Deduction for Long-Term Care Insurance Premiums |                |                |                |             |
|---|----------------|----------------|----------------|-------------|
| Age 40 or Less                                  | Age > 40, ≤ 50 | Age > 50, ≤ 60 | Age > 60, ≤ 70 | Age over 70 |
| \$450   | \$850          | \$1,690        | \$4,510        | \$5,640     |

| Health Savings Accounts |         |         |
|-------------------------|---------|---------|
| Contribution Limits     | 2022    | 2021    |
| Single                  | \$3,650 | \$3,600 |
| Family                  | \$7,300 | \$7,200 |
| Age 55+ Catch-up        | \$1,000 | \$1,000 |

| High Deductible Health Plans   |          |          |
|--------------------------------|----------|----------|
| Minimum Deductible - Single    | \$1,400  | \$1,400  |
| Minimum Deductible - Family    | \$2,800  | \$2,800  |
| Maximum Out of Pocket - Single | \$7,050  | \$7,000  |
| Maximum Out of Pocket - Family | \$14,100 | \$14,000 |

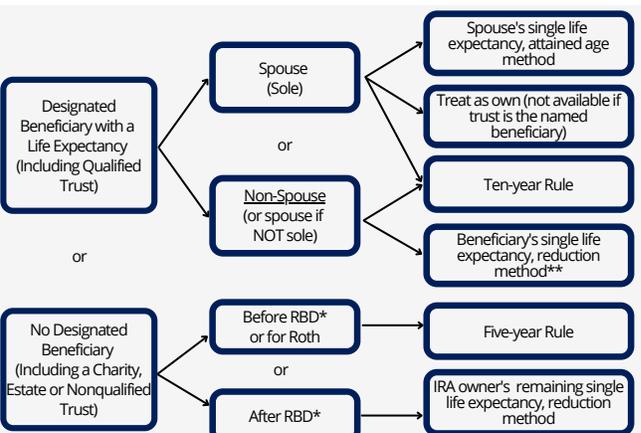
Source: healthsavings.com/irs-2022

## Uniform Lifetime Table

| Age | Life Expectancy Factor | % Account | Age | Life Expectancy Factor | % Account |
|-----|------------------------|-----------|-----|------------------------|-----------|
| 72  | 27.4                   | 3.65      | 87  | 14.4                   | 6.95      |
| 73  | 26.5                   | 3.78      | 88  | 13.7                   | 7.30      |
| 74  | 25.5                   | 3.93      | 89  | 12.9                   | 7.76      |
| 75  | 24.6                   | 4.07      | 90  | 12.2                   | 8.20      |
| 76  | 23.7                   | 4.22      | 91  | 11.5                   | 8.70      |
| 77  | 22.9                   | 4.37      | 92  | 10.8                   | 9.26      |
| 78  | 22.0                   | 4.55      | 93  | 10.1                   | 9.91      |
| 79  | 21.1                   | 4.74      | 94  | 9.5                    | 10.53     |
| 80  | 20.2                   | 4.96      | 95  | 8.9                    | 11.24     |
| 81  | 19.4                   | 5.16      | 96  | 8.4                    | 11.91     |
| 82  | 18.5                   | 5.41      | 97  | 7.8                    | 12.83     |
| 83  | 17.7                   | 5.65      | 98  | 7.3                    | 13.70     |
| 84  | 16.8                   | 5.96      | 99  | 6.8                    | 14.71     |
| 85  | 16.0                   | 6.25      | 100 | 6.4                    | 15.63     |
| 86  | 15.2                   | 6.58      | 101 | 6.0                    | 16.67     |

Source: IRS Publication 590

## IRA Beneficiary Options



\* RBD defined as "Required Beginning Date" (April 1 following the year a Traditional IRA or SIMPLE IRA holder reached age 72). Change in required beginning date (RBD) for required minimum distributions (RMDs) made pursuant to the terms of the SECURE Act, effective 1/1/2020.

\*\* Method only available if the non-spouse beneficiary is the minor child of the deceased IRA owner (until the child's age of majority), disabled, chronically ill or not more than 10 years younger than the deceased IRA owner.



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## Social Security

| Taxable Wage Base       | 2022      | 2021      |
|-------------------------|-----------|-----------|
| Social Security (OASDI) | \$147,000 | \$142,800 |
| Medicare (HI only)      | No Limit  | No Limit  |
| Quarter of Coverage     | \$1,510   | \$1,470   |

### Retirement Earning Test

|                                  |                               |                               |
|----------------------------------|-------------------------------|-------------------------------|
| <b>Under full retirement age</b> | \$19,560/yr.<br>(\$1,630/mo.) | \$18,960/yr.<br>(\$1,580/mo.) |
|----------------------------------|-------------------------------|-------------------------------|

Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit

|  |              |              |
|--|--------------|--------------|
| <b>Year reaching full retirement age</b> | \$51,960/yr. | \$50,520/yr. |
|--|--------------|--------------|

Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit

### Taxability of Benefits (Based on Provisional Income)

|                   | Individual            | Married filing jointly |
|-------------------|-----------------------|------------------------|
| Not taxable       | Less than \$25,000    | Less than \$32,000     |
| Up to 50% taxable | \$25,000 - \$34,000   | \$32,000 - \$44,000    |
| Up to 85% taxable | Greater than \$34,000 | Greater than \$44,000  |

### Married filing Separately

Up to 85% of benefits are taxable

**Provision Income = Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefit**

### Age to receive full benefits

| Year of birth | Full retirement age | % reduced at age 62 |
|---------------|---------------------|---------------------|
| 1943 - 1954   | 66                  | 25.00%              |
| 1955          | 66 and 2 months     | 25.83%              |
| 1956          | 66 and 4 months     | 26.67%              |
| 1957          | 66 and 6 months     | 27.50%              |
| 1958          | 66 and 8 months     | 28.33%              |
| 1959          | 66 and 10 months    | 29.17%              |
| 1960          | 67                  | 30.00%              |

### Delayed retirement credits

| Year of birth | Yearly rate of increase |
|---------------|-------------------------|
| 1943 or later | 8.00%                   |

Accrues when you reach full retirement age until you start receiving benefits or reach age 70.

Source: Social Security Administration website, SSA.gov.

## Gift & Estate Tax

### Taxes for Gifts & Estates

|                            | 2022         | 2021         |
|----------------------------|--------------|--------------|
| Annual Gift Exclusion      | \$16,000     | \$15,000     |
| Unified Credit Amount      | \$12,060,000 | \$11,700,000 |
| Gift to non-citizen spouse | \$164,000    | \$159,000    |
| Highest estate Tax Bracket | 40%          | 40%          |

Source: IRS Revenue Procedure 2019-44 and the Tax Cuts and Jobs Act of 2017

### States Estate & Inheritance Tax

States with State Estate Tax CT, DDC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA

States with Inheritance Tax IA, KY, NE, PA, NJ, MD

### Death/Gifts Occurring in 2022\*

Subtract applicable credit from calculated tax)

| If gift/gross estate is over | But not over | The tax is      | Of the amount over |
|------------------------------|--------------|-----------------|--------------------|
| \$0                          | \$10,000     | \$0 + 18%       | \$0                |
| \$10,000                     | \$20,000     | \$1,800 + 20%   | \$10,000           |
| \$20,000                     | \$40,000     | \$3,800 + 22%   | \$20,000           |
| \$40,000                     | \$60,000     | \$8,200 + 24%   | \$40,000           |
| \$60,000                     | \$80,000     | \$13,000 + 26%  | \$60,000           |
| \$80,000                     | \$100,000    | \$18,200 + 28%  | \$80,000           |
| \$100,000                    | \$150,000    | \$23,800 + 30%  | \$100,000          |
| \$150,000                    | \$250,000    | \$38,800 + 32%  | \$150,000          |
| \$250,000                    | \$500,000    | \$70,800 + 34%  | \$250,000          |
| \$500,000                    | \$750,000    | \$155,800 + 37% | \$500,000          |
| \$750,000                    | \$1,000,000  | \$248,300 + 39% | \$750,000          |
| \$1,000,000                  |              | \$345,800 + 40% | \$1,000,000        |

\* Annual gift tax exclusion: individual, \$16,000; married electing split gifts, \$32,000. Combined lifetime gift tax and gross estate tax exemption: \$12,060,000. GST tax exemption: \$12,060,000.

Sources: IRS and Social Security Administration updates 2022.

## Charitable Contribution Deductions

| Type of Property Contributed   | Deemed Amount of Contribution | Percentage Limitation <sup>1</sup> |      |
|--|-------------------------------|------------------------------------|------|
|  |                               | 2022                               | 2021 |
| Cash   | Actual dollar amount          | 100%                               | 60%  |
| Appreciated ordinary income property <sup>2</sup> or appreciated short-term capital gain property <sup>3</sup> | Donor's tax basis             | 50%                                | 50%  |
| Appreciated long-term capital gain property <sup>4</sup>   |                               |                                    |      |
| (a) General rule   | Fair market value             | 30%                                | 30%  |
| (b) Election made to reduce amount of contribution   | Donor's tax basis             | 50%                                | 50%  |
| (c) Tangible personal property put to unrelated use by donee charity   | Donor's tax basis             | 50%                                | 50%  |

<sup>1</sup> The applicable "percentage limitation" applies to the donor's contribution base, which is the donor's adjusted gross income (AGI) determined without regard to any net operating loss carryback. The limitation is applied on an annual basis. Any deductible contributions that exceed the current year's limitations may be carried over and deducted in the five succeeding tax years, subject to the percentage limitations in those years.

<sup>2</sup> "Ordinary income property" is property that would produce ordinary income if sold by the individual.

<sup>3</sup> "Short-term capital gain property" is property that would produce short-term capital gain if sold by the individual.

<sup>4</sup> "Long-term capital gain property" is property that would produce long-term capital gain if sold by the individual.

Sources: IRS and Social Security Administration updates 2022.



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