

2020 Tax Information

Rates, Schedules and Contribution Limits

(\$ Income Tax¹

If taxable income is	over	but not over	The tax is	Amount over
Married/Filing Jointly and Qualifying Widow(er)s	0	19,750	0.00 + 10%	0
	19,750	80,250	1,975 + 12%	19,750
	80,250	171,050	9,235 + 22%	80,250
	171,050	326,600	29,211 + 24%	171,050
	326,600	414,700	66,543 + 32%	326,600
	414,700	622,050	94,735 + 35%	414,700
	622,050	-	167,307.50 + 37%	622,050
Single	0	9,875	0.00 + 10%	0
	9,875	40,125	987.50 + 12%	9,875
	40,125	85,825	4,617.50 + 22%	40,125
	85,525	163,300	14,605.50 + 24%	85,525
	163,300	207,350	33,271.50 + 32%	163,300
	207,350	518,400	\$47,367.50 + 35%	207,350
	518,400	-	156,235 + 37%	518,400
Head of Households	0	14,100	0.00 + 10%	0
	14,100	53,700	1,410 + 12%	14,100
	53,700	85,500	6,162 + 22%	53,700
	85,500	163,300	13,158 + 24%	85,500
	163,300	207,350	31,830 + 32%	163,300
	207,350	518,400	45,926 + 35%	207,350
	518,400	-	154,793.50 + 37%	518,400
Estates and Trusts	0	2,600	0.00 + 10%	0
	2,600	9,450	260 + 24%	2,600
	9,450	12,950	1,904 + 35%	9,300
	12,950	-	4,129 + 37%	12,750

Corporate Tax¹

Beginning in 2018, the Corporate tax rate is a flat 21%.

The corporate tax rate provided is the general corporate tax rate. It should be noted that there are exceptions for corporations subject to IRC Section 594, Subchapter L and Subchapter M.

(%) Tax on Long Term Capital Gains and Qualified Dividends¹

Filing Status	(\$ Taxable Income Limitation	Tax Rate (Long Term >1 Year and Qualified Dividends)*
Married/Filing Jointly and Qualifying Widow(er)s	0 - 80,000	0%
	80,000-496,600	15%
	>496,600	20%
Single	0 - 40,000	0%
	40,000 - 441,450	15%
	>441,450	20%
Head of Households	0 - 53,600	0%
	53,600 - 469,050	15%
	>469,050	20%
Estates and Trusts	0 - 2,650	0%
	2,650 - 13,150	15%
	>13,150	20%

*Capital gains less than 1 year are generally considered short term and subject to ordinary income rates.

(\$ Health Care Tax on Investment Income¹

3.8% health care reform surtax on investment income for families with adjusted gross income over 250K (200K for individuals).

(\$ Kiddie Tax²

(Under age 19** with unearned income)

The SECURE Act reverts the kiddie tax rules back to the former rules where the child is taxed at the parent's tax rate. Taxpayers have the ability to take this position on amended 2018 tax returns and 2019 tax returns.

**Under age 24 if a full-time student whose earned income does not exceed half of his or her own support for the year.

Child Tax Credit¹

\$2,000 per child; phases out \$50 for each \$1,000 of modified Adjusted Gross Income (AGI) over \$400,000 (married/filing jointly) or \$200,000 (single).

¹www.irs.gov. ²The SECURE Act. ³www.socialsecurity.gov

(\$) Employer Retirement Plans¹

Maximum elective deferral to retirement plans, e.g., 401(k), 403(b), 457(b)	19,500
Catch-up contribution limit for 401(k), 403(b) and 457 plans	6,500
Maximum elective deferral to SIMPLE IRA plans	13,500
Catch-up contribution limit for SIMPLE plans	3,000
Maximum elective deferral to 457 plans of gov't and tax-exempt employers	19,500
Limit on annual additions to defined contribution plans	57,000
Annual compensation threshold requiring SEP contribution	600
Limit on annual additions to SEP plans	57,000
Maximum annual compensation taken into account for contributions	285,000
Annual benefit limit under defined benefit plans	230,000
Limitation used in definition of highly compensated employee	130,000
Health flexible spending account maximum salary reduction contribution	2,750

(\$) Maximum Qualified Long-Term Care Insurance Premiums Eligible for Deduction¹

Age	40 or less	>40, <50	>50, <60	>60, <70	Over 70
2019	430	810	1,630	4,350	5,430

Qualified long-term care contract per diem limit: \$380

Traditional IRAs¹

Maximum annual contribution: Lesser of earned income or \$6,000. Up to \$6,000 contribution can also be made for nonworking spouse. Catch-up contributions (taxpayers age 50 and over): \$1,000

The SECURE Act changed the tax laws around beneficiaries who inherit IRAs after 2019. Beneficiaries will no longer be able to stretch the required minimum distributions (RMD) for IRAs inherited after 2019 over their lifetime. The majority of these beneficiaries will have to distribute the entire IRA within 10 years of inheritance

Traditional IRA Deductibility Rule¹

Covered by employer's retirement plan?	(\$) Modified AGI 2019	(\$) Modified AGI 2020	Deductibility
Single			
No	Any amount	Any amount	Full
Yes	64,000	65,000	Full
Yes	64,001 - 73,999	65,001 - 74,999	Partial
Yes	74,000 or more	75,000 or more	None
Married/Filing Jointly			
Neither spouse covered	Any amount	Any amount	Full
Both spouses covered	103,000 or less	104,000 or less	Full
	103,001 - 122,999	104,001 - 123,999	Partial
	123,000 or more	124,000 or more	None
No, but spouse is covered	193,000 or less	196,000 or less	Full
	193,001 - 202,999	196,001 - 205,999	Partial
	203,000 or more	206,000 or more	None

(\$) Standard Deductions¹

	Annual	Additional Age 65+ Or Blind
Married/ Filing Jointly & Qualifying Widow(er)s	24,800	1,300
Single	12,400	1,650

(\$) Base Amount of Modified AGI Causing Social Security Benefits To Be Taxable³

	50% taxable	85% taxable
Married/ Filing Jointly	32,000	44,000
Single	25,000	34,000

(\$) Maximum Earnings Before Social Security Benefits Are Reduced³

Under Full Retirement Age	18,240
(\$1 withheld for every \$2 above limit)	
Full Retirement Age and Over	No limit*

*Interim annual limit of \$48,600 applies for months prior to attaining full retirement age during year individual reaches full retirement age.

(\$) Maximum Compensation Subject to FICA Taxes³

OASDI (Social Security) Maximum	137,700
HI (Medicare) Maximum	No limit
OASDI and HI tax rate: 15.30% self-employed, 7.65% employees	

(\$) Estate Exclusions¹

11,580,000 single; 23,160,000 married

(\$) Modified AGI Phaseouts for American Opportunity Tax Credit¹

Married/Filing Jointly	160,001 - 179,999
Others	80,001 - 89,999

¹www.irs.gov. ²The SECURE Act. ³www.socialsecurity.gov
Not FDIC Insured | Not Bank Guaranteed | May Lose Value

(\$) Death/Gifts Occurring in 2020¹

Annual Gift Tax Exclusion 2019: Individual \$15,000; Married electing split gifts	\$30,000
Gift Tax & Estate Tax Lifetime Applicable Exclusion Amount:	\$11,580,000
Top Gift Tax Rate	40%
Gift Tax Applicable Credit Amount	\$4,577,800
Exclusion on gifts to a non-citizen spouse	\$157,000
Generation-Skipping Transfer (GST) Tax Exemption (2018)	\$11,580,000

Under the current tax law, the Gift & Estate Tax Lifetime Applicable Exclusion amount is scheduled to sunset after December 31, 2025. You may want to consult with your tax advisor for potential planning opportunities.

Roth IRAs¹

- Maximum annual contribution: Lesser of earned income or \$6,000. Up to \$6,000 contribution can also be made for nonworking spouse. Catch-up contributions (taxpayers age 50 and over): \$1,000
- Contribution eligibility: AGI is not more than \$124,000 (single) or \$196,000 (married); phaseouts apply if Modified AGI is \$124,001 - \$138,999 (single) or \$196,001 - \$205,999 (married/filing jointly)
- Deductibility: Contributions to Roth IRAs are not deductible
- Conversions: There is no MAGI restriction on eligibility for a Roth IRA conversion

Important 2020 Tax Deadlines

April 15, 2020	<ul style="list-style-type: none"> ■ 2019 tax filing deadline and deadline to request an extension for 2019 tax returns until October 15, 2020. ■ First Quarter 2020 estimated tax payment deadline ■ Last day to make 2019 Roth IRA, Traditional IRA and HSA contribution. ■ Last day to make Keogh or SEP contributions (unless your tax return is extended to October 15, 2020)
June 15, 2020	<ul style="list-style-type: none"> ■ Second Quarter 2020 estimated tax payment deadline
September 15, 2020	<ul style="list-style-type: none"> ■ Third Quarter 2020 estimated tax payment deadline
October 15, 2020	<ul style="list-style-type: none"> ■ 2019 extended tax return filing deadline ■ Last day to make Keogh or SEP contributions (if 2019 tax return was extended)
January 15, 2021	<ul style="list-style-type: none"> ■ Fourth Quarter 2020 estimated tax payment deadline

(\$) Modified AGI Phaseouts for Lifetime Learning Credits¹

Married/Filing Jointly	118,001 - 137,999
Others	59,001 - 68,999

(\$) Modified AGI Phaseouts for Exclusion of U.S. Savings Bond Income¹

Married/Filing Jointly	123,550 - 153,550
Others	82,350 - 97,350

(\$) Modified AGI Phaseouts for Contributions to Coverdell Education Savings Accounts¹

Maximum Contribution	2,000 per beneficiary, per year
Married/Filing Jointly	190,001 - 219,999
Single	95,001 - 109,999

Minimum Withholding/Payment Levels for Estimated Tax Purposes

<p>Prior Year Safe Harbor for Individuals with greater than \$150,000 of Adjusted Gross Income (\$75,000 if Married Filing Separately):</p> <p>Either 110% of your 2019 Tax Liability or 90% of your 2020 Tax Liability.</p> <p>Prior Year Safe Harbor for Individuals with less than \$150,000 of Adjusted Gross Income (\$75,000 if Married Filing Separately):</p> <p>Either 100% of your 2019 Tax Liability or 90% of your 2020 Tax Liability.</p>
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¹www.irs.gov. ²The SECURE Act. ³www.socialsecurity.gov
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