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<b>WHAT'S NEW IN 2019?</b>		
	<b>2019</b>	<b>2018</b>
<b>Business Taxes</b>		
Bonus depreciation (new or used assets 09/28/17 – 12/31/22) <sup>1</sup>	100%	100%
Domestic production activity deduction	0%	0%
C-Corporation Tax Rates	21%	21%
Qualified Business Income (QBI) Deduction <sup>2</sup>	20% of QBI	20% of QBI
Entertainment Expense Deduction	0%	0%
Net Operating Loss Deductions <sup>3</sup>	80%	80%
Mileage Rate	58¢	54.5¢
Tax-free parking and transit passes per month, each	0	0
<b>Individual Income Taxes</b>		
Qualified dividends and capital gains tax	15 - 20%	15 - 20%
Standard deduction if:		
Married Filing Joint	\$24,400	\$24,000
Single	\$12,200	\$12,000
Head of Household	\$18,350	\$18,000
Top Individual Tax Bracket	37.0%	37.0%
Estimate Tax "Safe Harbor" (% of prior year's tax)	110%	110%
<b>HSA</b>		
Individual – (55+ is an additional (\$1,000))	3,500	3,450
Family – (55+ is an additional (\$1,000))	7,000	6,900
<b>Retirement Plans</b>		
Maximum Compensation Limit	\$280,000	\$275,000
Maximum Contribution to employee account	\$56,000	\$55,000
401 (K) maximum employee contribution - \$25,000 if age 50 by end of year	\$19,000	\$18,500
Simple plan contribution limit - \$16,000 if age 50 by end of year	\$13,000	\$12,500
IRA contribution limit - \$7,000 if age 50 by end of year	\$6,000	\$5,500
<b>Social Security Tax – Employee</b>		
Medicare Tax	1.45%	1.45%
(Surtax on lesser of net investment income or MAGI above \$250K joint, \$200 single)	3.80%	3.80%
(Surtax on earned income, based on excess of \$250K joint, \$200K single)	.90%	.90%
Social Security taxable wage base	\$132,900	\$128,400
Maximum earnings before Social Security benefits reduced:		
Before full retirement age (between ages 62 & 66)	\$17,640	\$17,040
Year of full retirement age (age 66)	\$46,920	\$45,360
After full retirement age (over age 66)	No Limit	No Limit
Social Security benefits increased	2.8%	2.0%
Maximum Social Security benefits per month	\$2,861	\$2,788
<b>Estate and Gift Taxes</b>		
Annual gift tax exclusion	\$15,000	\$15,000
Estate tax exemption upon Death	\$11,400,000	\$11,180,000
Gift tax exemption upon Death	\$11,400,000	\$11,180,000

Provided by Bart Krupnick, CPA, CVA  
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Footnotes:

1. Includes commercial building roofs, HVAC equipment, fire alarms, and security systems.
2. Qualified Business Income deduction is 20% of business income limited to the greater of 50% of W-2 wages paid or the sum of 25% of W-2 wages plus 2.5% of the cost of tangible assets. The limitation is phased in for joint filers with taxable income exceeding \$315,000 (\$157,500 for other filers). Applicable only for pass through entities (S-Corps, LLC's, partnerships, Schedule C's) through 2025.
3. Business losses pre 2018 were allowed for a carryback of 2 years and carryforward of 20 years and no limitation to offsetting taxable income. Post 2017 tax losses are now carried forward indefinitely with no carryback allowed and net operating loss carryover can only offset up to 80% of taxable income in a given period.