

# Federal tax rate brackets: Year 2020

The U.S. federal income tax system is progressive. This means that income is taxed in layers, with a higher tax rate applied to each layer. Below are the Tax Brackets for 2020 Taxable Income. Taxable Income is generally Adjusted Gross Income (AGI) less the standard or itemized deductions.

Tax Brackets for 2020: Individuals				
Marginal Rate	Single	Married Filing Joint	Head of Household	Married Filing Separate
10%	0 - \$9,875	0 - \$19,750	0 - \$14,100	0 - \$9,875
12%	\$9,876 - \$40,125	\$19,751 - \$80,250	\$14,101 - \$53,700	\$9,876 - \$40,125
22%	\$40,126 - \$85,525	\$80,251 - \$171,050	\$53,701 - \$85,500	\$40,126 - \$85,525
24%	\$85,526 - \$163,300	\$171,051 - \$326,600	\$85,501 - \$163,300	\$85,526 - \$163,300
32%	\$163,301 - \$207,350	\$326,601 - \$414,700	\$163,301 - \$207,350	\$163,301 - \$207,350
35%	\$207,351 - \$518,400	\$414,701 - \$622,050	\$207,351 - \$518,400	\$207,351 - \$311,025
37%	Over \$518,400	Over \$622,050	Over \$518,400	Over \$311,025

Deductions and Exemptions 2020: Individuals	
Personal exemption	None
<b>Standard deduction:</b>	
Single	\$12,400
Married Filing Joint (MFJ)	\$24,800
Head of Household (HOH)	\$18,650
Married Filing Separate (MFS)	\$12,400
Dependent	The greater of \$1,100 or \$350 + dependent's earned income, up to a maximum of \$12,400. .
<b>Additional deduction:</b>	
Married age 65 or older or blind	Standard deduction + \$1,300
Single (not a surviving spouse) age 65 or older or blind	Standard deduction + \$1,650

Tax Brackets for 2020: Income Tax Rates for Trusts and Estates	
Marginal Rate	Estates & Trusts
10%	0-\$2,600
24%	\$2,601 - \$9,450
35%	\$9,451 - \$12,950
37%	Over \$12,950

## Capital Gains and Dividends

Short-term capital gains and non-qualified dividends for individuals, estates, and trusts are treated as ordinary income, and are taxed as such. This rate applies to gains on securities held 1 year or less, and to short-term capital gain distributions reported by mutual funds.

Long-term capital gains and qualified dividends are taxed at a lower rate. After ordinary income is taxed, long term capital gains from sales and exchanges,

long-term capital gain distributions from mutual funds and qualified dividends are taxed at the rate indicated until exceeding a particular breakpoint. After exceeding a breakpoint, the income is taxed at the next rate until it exceeds the next breakpoint, and so on.

Long-term Capital Gain & Qualified Dividend Brackets for 2019					
Marginal Rate	Single	Married Filing Joint	Head of Household	Married Filing Separate	Estates & Trusts
0%	0 - \$40,000	0 - \$80,000	0 - \$53,600	0 - \$40,000	0 - \$2,650
15%	\$40,001 - \$441,450	\$80,001 - \$496,600	\$53,601 - \$469,050	\$40,001 - \$248,300	\$2,651 - \$13,150
20%	\$441,451 and up	\$469,451 and up	\$469,051 and up	\$248,301 and up	\$13,151 and up

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