

## BUSINESS

### Depreciation

36-Month Assets (Straight-Line) Most software

3-Year Assets (200% DB) Dies, molds, small tools, certain horses, tractor units

5-Year Assets (200% DB)

Autos, computers, office machinery, taxis, buses, trucks, cattle, private aircraft, appliances, carpeting, furniture, farm equipment

7-Year Assets (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

15-Year Assets (150% DB)

Land improvements other than buildings, retail fuel outlets

27.5-Year Assets (Straight-Line)

Rental houses, apartments, low-income housing

39-Year Assets (Straight-Line) Nonresidential buildings

### Personal Property Depreciation

#### Percent of Original Depreciable Basis under 200% DB Method

(Not applicable for mid-quarter convention)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

### Section 179 Expense

	2022	2021
Maximum expense election	\$1,080,000	\$ 1,050,000
Phaseout threshold	\$2,700,000	\$ 2,620,000

## CORPORATE INCOME TAX RATES

### 2022 Tax Year

For tax years beginning after 12/31/17, the "C" corporation Federal tax rate is a flat 21%. Owners of business entities, which are not taxed as "C" corporations, are eligible for a 20% Qualified Business Income (QBI) deduction. The deduction for QBI may be limited and/or subject to phase-out, depending on the taxable income of the individual, as well as such factors as the type of business, amount of wages paid by the business, and amount of capital assets owned by the business.

For income above \$329,800, the legislation phases in limits on what otherwise would be an effective marginal rate of not more than 29.6%.

Personal Service Corporations — 21% flat tax rate.

Capital Gains Tax Rate for "C" corporations — Same as regular rate.

## STANDARD MILEAGE RATES

Use	2022	2021
Business	58.5¢ per mile	56¢ per mile
Moving	18¢ per mile*	16¢ per mile*
Medical	18¢ per mile	16¢ per mile
Charitable	14¢ per mile	14¢ per mile

\*For members of the U.S. Armed Forces (or their spouse or dependents).

## ESTATE AND GIFT TAXES

### Estate Taxes

	2022	2021
Estate tax exemption/Unified tax credit	\$ 12,060,000	\$ 11,700,000
Top estate tax rate	40%	40%

### Gift Taxes

	2022	2021
Lifetime gift tax exemption	\$ 12,060,000	\$ 11,700,000
Annual gift tax exclusion		
Gifts per person	\$ 16,000	\$ 15,000
Joint gifts by spouse	\$ 32,000	\$ 30,000
Top gift tax rate	40%	40%

## 2022 TRUSTS AND ESTATES

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 2,750	..... 10%	\$ 0
\$ 2,751 – \$ 9,850	\$ 275.00 + 24%	\$ 2,750
\$ 9,851 – \$ 13,450	\$ 1,979.00 + 35%	\$ 9,850
\$ 13,451 and above	\$ 3,239.00 + 37%	\$ 13,450

## LONG-TERM CARE INSURANCE

If you are:	You may deduct this much of your annual premiums	
	2022	2021
Over 70	\$ 5,640	\$ 5,640
61 to 70	\$ 4,520	\$ 4,520
51 to 60	\$ 1,690	\$ 1,690
41 to 50	\$ 850	\$ 850
40 and under	\$ 450	\$ 450

## CAPITAL GAINS — 2022 & 2021

Holding Period	Top Capital Gains Rate	
	2022	2021
12 months or less	37% <sup>1</sup>	37% <sup>1</sup>
More than 12 months	20% <sup>1,2</sup>	20% <sup>1,2</sup>
Depreciation recapture on real estate	25%	25%
Collectibles and certain small business stock	28%	28%

<sup>1</sup> Capital gain rates may be subject to an additional 3.8% Medicare tax.

<sup>2</sup> Rate for taxpayers in the top income tax bracket. (Middle income tax brackets pay 15%.)

## COVERDELL ESAs — 2022 & 2021

	2022	2021
• Contribution limit	\$ 2,000 per beneficiary	\$ 2,000 per beneficiary
• AGI phaseouts:*		
Joint filers	\$ 190,000 – \$ 220,000	\$ 190,000 – \$ 220,000
Individual filers	\$ 95,000 – \$ 110,000	\$ 95,000 – \$ 110,000

\* Phaseout applies to the contributor, not the beneficiary.

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# HMN



## 2022 TAX POCKET GUIDE

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## 2022 INDIVIDUAL INCOME TAX RATES\*

### Married, Filing Jointly or Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 20,550	..... 10%	\$ 0
\$ 20,551 – \$ 83,550	\$ 2,055 + 12%	\$ 20,550
\$ 83,551 – \$ 178,150	\$ 9,615 + 22%	\$ 83,550
\$ 178,151 – \$ 340,100	\$ 30,427 + 24%	\$ 178,150
\$ 340,101 – \$ 431,900	\$ 69,295 + 32%	\$ 340,100
\$ 431,901 – \$ 647,850	\$ 98,671 + 35%	\$ 431,900
\$ 647,851 and above	\$ 174,253 + 37%	\$647,850, filing

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 10,275	..... 10%	\$ 0
\$ 10,276 – \$ 41,775	\$ 1,028 + 12%	\$ 10,275
\$ 41,776 – \$ 89,075	\$ 4,808 + 22%	\$ 41,775
\$ 89,076 – \$ 170,050	\$ 15,214 + 24%	\$ 89,075
\$ 170,051 – \$ 215,950	\$ 34,648 + 32%	\$ 170,050
\$ 215,951 – \$ 323,925	\$ 49,336 + 35%	\$ 215,950
\$ 323,926 and above	\$ 86,127 + 37%	\$ 323,925

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 10,275	..... 10%	\$ 0
\$ 10,276 – \$ 41,775	\$ 1,028 + 12%	\$ 10,275
\$ 41,776 – \$ 89,075	\$ 4,808 + 22%	\$ 41,775
\$ 89,076 – \$ 170,050	\$ 15,214 + 24%	\$ 89,075
\$ 170,051 – \$ 215,950	\$ 34,647 + 32%	\$ 170,050
\$ 215,951 – \$ 539,900	\$ 49,334 + 35%	\$ 215,950
\$ 539,901 and above	\$ 162,716 + 37%	\$ 539,900

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 14,650	..... 10%	\$ 0
\$ 14,651 – \$ 55,900	\$ 1,465 + 12%	\$ 14,650
\$ 55,901 – \$ 89,050	\$ 6,415 + 22%	\$ 55,900
\$ 89,051 – \$ 170,050	\$ 13,708 + 24%	\$ 89,050
\$ 170,051 – \$ 215,950	\$ 33,149 + 32%	\$ 170,050
\$ 215,951 – \$ 539,900	\$ 47,837 + 35%	\$ 215,950
\$ 539,901 and above	\$ 162,218 + 37%	\$ 539,900

The 2022 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

## PERSONAL EXEMPTIONS

	2018 – 2025	2017
Deduction for each taxpayer, spouse, and dependent *	\$0	\$ 4,050
There is an AGI phaseout beginning at:		
Married, filing jointly	\$0	\$ 313,800
Married, filing separately	\$0	\$ 156,900
Single	\$0	\$ 261,500
Head of household	\$0	\$ 287,650

\* There are no personal exemption amounts for 2018 through 2025.

## 2021 INDIVIDUAL INCOME TAX RATES\*

### Married, Filing Jointly and Surviving Spouse

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 19,900	.....10%	\$ 0
\$ 19,901 – \$ 81,050	\$ 1,990 + 12%	\$ 19,900
\$ 81,051 – \$ 172,750	\$ 9,328 + 22%	\$ 81,050
\$ 172,751 – \$ 329,850	\$ 29,502 + 24%	\$ 172,750
\$ 329,851 – \$ 418,850	\$ 67,206 + 32%	\$ 329,850
\$ 418,851 – \$ 628,300	\$ 95,686 + 35%	\$ 418,850
\$ 628,301 and above	\$168,993.50 + 37%	\$ 628,300

### Married, Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,950	.....10%	\$ 0
\$ 9,951 – \$ 40,525	\$ 995 + 12%	\$ 9,950
\$ 40,526 – \$ 86,375	\$ 4,664 + 22%	\$ 40,525
\$ 86,376 – \$ 164,925	\$ 14,751 + 24%	\$ 86,375
\$ 164,926 – \$ 209,425	\$ 33,603 + 32%	\$ 164,925
\$ 209,426 – \$ 314,150	\$ 47,843 + 35%	\$ 209,425
\$ 314,151 and above	\$84,496.75 + 37%	\$ 314,150

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 9,950	.....10%	\$ 0
\$ 9,951 – \$ 40,525	\$ 995 + 12%	\$ 9,950
\$ 40,526 – \$ 86,375	\$ 4,664 + 22%	\$ 40,525
\$ 86,376 – \$ 164,925	\$ 14,751 + 24%	\$ 86,375
\$ 164,926 – \$ 209,425	\$ 33,603 + 32%	\$ 164,925
\$ 209,426 – \$ 523,600	\$ 47,843 + 35%	\$ 209,425
\$ 523,601 and above	\$157,804.25 + 37%	\$ 523,600

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 14,200	.....10%	\$ 0
\$ 14,201 – \$ 54,200	\$ 1,420 + 12%	\$ 14,200
\$ 54,201 – \$ 86,350	\$ 6,220 + 22%	\$ 54,200
\$ 86,351 – \$ 164,900	\$ 13,293 + 24%	\$ 86,350
\$ 164,901 – \$ 209,400	\$ 32,145 + 32%	\$ 164,900
\$ 209,401 – \$ 523,600	\$ 46,385 + 35%	\$ 209,400
\$ 523,601 and above	\$ 156,355 + 37%	\$ 523,600

### 2021 Qualified Dividend Income 15%\* (0% for lower tax brackets)

\*Individuals in the top tax bracket will pay 23.8% (20% plus a 3.8% Medicare surtax).

Note: Tax amounts have been rounded up to nearest dollar.

## STANDARD DEDUCTIONS

	2022	2021
Married, filing jointly	\$ 25,900	\$ 25,100
Single/married, filing separately	\$ 12,950	\$ 12,550
Head of household	\$ 19,400	\$ 18,800
Additional — blind or elderly		

If you're at least 65 years old or blind, you can claim an additional standard deduction of \$1,400 in 2022 (\$1,750 if you're claiming the single or head of household filing status).

If you're both 65 or older and blind, the additional deduction amount is doubled.

## RETIREMENT PLANS

### Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2022	2021
Individual Retirement Accounts (IRAs)*	\$ 6,000	\$ 6,000
Section 401(k) plans or SAR-SEPs*	\$ 20,500	\$ 19,500
Section 403(b) plans*	\$ 20,500	\$ 19,500
Section 408(p) (2) (E) SIMPLE contributions*	\$ 14,000	\$ 13,500
Section 457(b) (2) limit*	\$ 20,500	\$ 19,500
Section 415 limit for:		
Defined contribution plans	\$ 61,000	\$ 58,000
Defined benefit plans	\$ 245,000	\$ 230,000
Highly compensated employees Section 414(q)	\$ 135,000	\$ 130,000
FICA taxable wage base		
Social Security	\$ 147,000	\$ 142,800
Medicare (tax rate 1.45% for employees; 2.90% for self-employed)	No limit	No limit
* Age 50 additional contributions		
401(k) type plans	\$ 6,500	\$ 6,500
SIMPLEs	\$ 3,000	\$ 3,000
IRAs	\$ 1,000	\$ 1,000

### Roth IRAs

AGI limit for maximum contributions:	2022	2021
Joint filers	\$ 214,000	\$ 198,000
Individual filers	\$ 144,000	\$ 125,000

### Traditional IRAs

AGI limits for full deductions:	2022	2021
Joint filers	\$ 109,000	\$ 105,000 *
Individual filers	\$ 68,000	\$ 66,000

\* Depending on whether you or your spouse are covered by a plan at work.

The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

## SOCIAL SECURITY

Annual Earned Income Limit	2022	2021
Under full retirement age	\$ 19,560	\$ 18,960
Full retirement age	No Limit	No Limit

For people reaching full retirement age in 2022, the limit is \$51,960 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

## HEALTH SAVINGS ACCOUNTS

Contribution Limits	2022	2021
Individual, self-only	\$ 3,650	\$ 3,600
Family Coverage	\$ 7,300	\$ 7,200
Catch-up for those		
age 55 and older	\$ 1,000	\$ 1,000

For 2022, the minimum deductible for a high-deductible health plan (HDHP) is \$1,400 for self-only coverage and \$2,800 for family coverage. The maximum out-of-pocket limit is \$7,050 for self-only coverage and \$14,100 for family plans.

## ALTERNATIVE MINIMUM TAX

AMT Exemptions	2022	2021
Married, filing jointly	\$ 118,100	\$ 114,600
Married, filing separately	\$ 59,050	\$ 57,300
Single/Head of household	\$ 75,900	\$ 73,600