

Highlights of select tax changes for 2022

Effective January 1, 2022, the new mileage rates are as follows:

Business travel	58.5 cents per mile
Medical	18.0 cents per mile
Charitable	14.0 cents per mile

Annual GIFT tax exclusion goes from \$15,000 to \$16,000

STANDARD deduction for 2022 tax year:

Single	\$12,950
Married Joint	\$25,900
Head Household	\$19,400

Tax brackets will go up about 3% across the board.

Retirement plan changes for 2022

	<u>2021</u>	<u>2022</u>
IRA	\$ 6,000	\$ 6,000
Over 50 catch up	\$ 1,000	\$ 1,000
401(k), 403(b), 457	\$ 19,500	\$ 20,500
Over 50 catch up	\$ 6,500	\$ 6,500
Simple Plan Deferral	\$ 13,500	\$ 14,000

ROTH IRA contributions income phase-out ranges for 2022

Single and heads of Household	\$129,000 to \$144,000
Married Joint	\$204,000 to \$214,000
Married Separate	\$0 to \$10,000

Note: Traditional IRA phase-out ranges have also changed.

The backdoor Roth IRA provision is still in play as the Build Back Better Legislation did not pass in 2021.

Health savings account change for 2022

Single went from \$3,600 to \$3,650
Family went from \$7,200 to \$7,300

Social security wage base for 2022 went from \$142,800 to \$147,000.

Wage limit before full retirement age is \$19,560. If you are younger than your full retirement age and working, your benefit will be **reduced** \$1 for every \$2 over \$19,560.

New Uniform life table for calculating RMD's for 2022.

See separate chart.

1099-K reporting changes for 2022

Beginning in the year 2022, individuals, partnerships, LLC, and corporations that earn more than \$600 through various online venues will start receiving 1099-K payment card and third-party networking transactions on which that income will be reported to themselves and the IRS.

Previous limits were \$20,000 or 200 transactions.

These rule changes were made as part of the American Rescue Plan Act of 2021 passed by Congress in March of 2021.

The net impact, there is going to be a lot more small business returns Schedule C filed in 2022 and going forward.

New Uniform Life Tables for calculating RMDs take effect January 1, 2022

Age	Uniform Lifetime Table In Effect Through 2021		New Uniform Lifetime Table Effective January 1, 2022		Comparison	
	Current Uniform Table RMD Factor	Current RMD as a % of Account Balance	New Uniform Table RMD Factor	New RMD as a % of Account Balance	Difference	Decrease of RMD %
70	27.4	3.65%	29.1	3.44%	-0.21%	-5.75%
71	26.5	3.78%	28.2	3.55%	-0.23%	-6.08%
72	25.6	3.91%	27.4	3.65%	-0.26%	-6.65%
73	24.7	4.05%	26.5	3.78%	-0.27%	-6.67%
74	23.8	4.21%	25.5	3.93%	-0.28%	-6.65%
75	22.9	4.37%	24.6	4.07%	-0.30%	-6.86%
76	22	4.55%	23.7	4.22%	-0.33%	-7.25%
77	21.2	4.72%	22.9	4.37%	-0.35%	-7.42%
78	20.3	4.93%	22	4.55%	-0.38%	-7.71%
79	19.5	5.13%	21.1	4.74%	-0.39%	-7.60%
80	18.7	5.35%	20.2	4.96%	-0.39%	-7.29%
81	17.9	5.59%	19.4	5.16%	-0.43%	-7.69%
82	17.1	5.85%	18.5	5.41%	-0.44%	-7.52%
83	16.3	6.14%	17.7	5.65%	-0.49%	-7.98%
84	15.5	6.46%	16.8	5.96%	-0.50%	-7.74%
85	14.8	6.76%	16	6.25%	-0.51%	-7.54%
86	14.1	7.10%	15.2	6.58%	-0.52%	-7.32%
87	13.4	7.47%	14.4	6.95%	-0.52%	-6.96%
88	12.7	7.88%	13.7	7.30%	-0.58%	-7.36%
89	12	8.34%	12.9	7.76%	-0.58%	-6.95%
90	11.4	8.78%	12.2	8.20%	-0.58%	-6.61%
91	10.8	9.26%	11.5	8.70%	-0.56%	-6.05%
92	10.2	9.81%	10.8	9.26%	-0.55%	-5.61%
93	9.6	10.42%	10.1	9.91%	-0.51%	-4.89%
94	9.1	10.99%	9.5	10.53%	-0.46%	-4.19%
95	8.6	11.63%	8.9	11.24%	-0.39%	-3.35%
96	8.1	12.35%	8.4	11.91%	-0.44%	-3.56%
97	7.6	13.16%	7.8	12.83%	-0.33%	-2.51%
98	7.1	14.09%	7.3	13.70%	-0.39%	-2.77%
99	6.7	14.93%	6.8	14.71%	-0.22%	-1.47%
100	6.3	15.88%	6.4	15.63%	-0.25%	-1.57%
101	5.9	16.95%	6	16.67%	-0.28%	-1.65%
102	5.5	18.19%	5.6	17.86%	-0.33%	-1.81%
103	5.2	19.24%	5.2	19.24%	0.00%	0.00%
104	4.9	20.41%	4.9	20.41%	0.00%	0.00%
105	4.5	22.23%	4.6	21.74%	-0.49%	-2.20%
106	4.2	23.81%	4.3	23.26%	-0.55%	-2.31%
107	3.9	25.65%	4.1	24.40%	-1.25%	-4.87%
108	3.7	27.03%	3.9	25.65%	-1.38%	-5.11%
109	3.4	29.42%	3.7	27.03%	-2.39%	-8.12%
110	3.1	32.26%	3.5	28.58%	-3.68%	-11.41%
111	2.9	34.49%	3.4	29.42%	-5.07%	-14.70%
112	2.6	38.47%	3.3	30.31%	-8.16%	-21.21%
113	2.4	41.67%	3.1	32.26%	-9.41%	-22.58%
114	2.1	47.62%	3	33.34%	-14.28%	-29.99%
115	1.9	52.64%	2.9	34.49%	-18.15%	-34.48%
116	1.9	52.64%	2.8	35.72%	-16.92%	-32.14%
117	1.9	52.64%	2.7	37.04%	-15.60%	-29.64%
118	1.9	52.64%	2.5	40.00%	-12.64%	-24.01%
119	1.9	52.64%	2.3	43.48%	-9.16%	-17.40%
120+	1.9	52.64%	2	50.00%	-2.64%	-5.02%

