

2022 tax rates, schedules, and contribution limits

Income tax

	If taxable income is over	But not over	The tax is	Of the amount over
Married/Filing jointly and qualifying widow(er)s	\$0	\$20,550	\$0.00+10%	\$0
	\$20,550	\$83,550	\$2,055 + 12%	\$20,550
	\$83,550	\$178,150	\$9,615 + 22%	\$83,550
	\$178,150	\$340,100	\$30,427 + 24%	\$178,150
	\$340,100	\$431,900	\$69,295 + 32%	\$340,100
	\$431,900	\$647,850	\$98,671 + 35%	\$431,900
	\$647,850		\$174,253.50 + 37%	\$647,850
Single	\$0	\$10,275	\$0.00 + 10%	\$0
	\$10,275	\$41,775	\$1,027.50 + 12%	\$10,275
	\$41,775	\$89,075	\$4,807.50 + 22%	\$41,775
	\$89,075	\$170,050	\$15,213.50 + 24%	\$89,075
	\$170,050	\$215,950	\$34,647.50 + 32%	\$170,050
	\$215,950	\$539,900	\$49,335.50 + 35%	\$215,950
	\$539,900		\$162,718 + 37%	\$539,900
Estates and trusts	\$0	\$2,750	\$0.00 + 10%	\$0
	\$2,750	\$9,850	\$275 + 24%	\$2,750
	\$9,850	\$13,450	\$1,979 + 35%	\$9,850
	\$13,450		\$3,239 + 37%	\$13,450

Tax on corporations and other businesses

- 21% tax rate applied on C-corporation income
- Taxpayers may generally deduct up to 20% of the qualified business income (QBI) of S corporations, partnerships, and sole proprietorships (reduced by net capital gain and qualified dividends), subject to limitations:
 - Deduction generally not available for a Specified Service Trade or Business (SSTB) if taxable income exceeds \$220,050 (single) or \$440,100 (married/filing jointly); the deduction is subject to a phaseout unless taxable income is at or below \$170,050 (single) or \$340,100 (married/filing jointly)
 - If taxable income exceeds \$220,050 (single) or \$440,100 (married/filing jointly), the deduction is limited to the lesser of: (a) 20% of QBI or (b) the greater of (i) 50% of W-2 wages paid by each business or (ii) 25% of W-2 wages paid by each business plus 2.5% of the unadjusted basis of qualified property; wage and qualified property limitations are not applicable to taxable incomes at or below \$170,050 (single) or \$340,100 (married/filing jointly) and are fully phased in once taxable income exceeds \$220,050 (single) or \$440,100 (married/filing jointly)

Employer retirement plans

Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)	\$20,500
Catch-up contribution limit for 401(k), 403(b), and certain 457 plans	\$6,500
Maximum elective deferral to SIMPLE plans	\$14,000
Catch-up contribution limit for SIMPLE plans	\$3,000
Maximum elective deferral to 457 plans of government and tax-exempt employers	\$20,500
Limit on annual additions to defined contribution plans	\$61,000
Annual compensation threshold requiring SEP contribution	\$650
Limit on annual additions to SEP plans	\$61,000
Maximum annual compensation taken into account for contributions	\$305,000
Annual benefit limit under defined benefit plans	\$245,000
Limitation used in definition of highly compensated employee	\$135,000
Health flexible spending account maximum salary reduction contribution	\$2,850

Sources: IRS and Social Security Administration updates 2022.

Tax on capital gains and qualified dividends

Single	Income Married/Filing jointly/Qualifying Widow(er)	Tax rate
\$0–\$41,675	\$0–\$83,350	0%
Over \$41,675 but not over \$459,750	Over \$83,350 but not over \$517,200	15%
Over \$459,750	Over \$517,200	20%

Additional 3.8% federal net investment income (NII) tax applies to individuals on the lesser of NII or modified AGI in excess of \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s). Also applies to any trust or estate on the lesser of undistributed NII or AGI in excess of the dollar amount at which the estate/trust pays income taxes at the highest rate (\$13,450).

Kiddie tax*

Child's unearned income above \$2,300 is generally subject to taxation at the parent's marginal tax rate; unearned income above \$1,150 but not more than \$2,300 is taxed at the child's tax rate.

Applies if either parent of the child is alive at the close of the taxable year, the child does not file a joint return for the taxable year, and the child either (a) has not attained age 18 by close of the year, (b) has attained age 18 before the close of the year, but the child's earned income represents not more than one half of support needs and the child has not attained age 19 by the close of the year, or (c) the child is a full-time student who has not attained age 24 as of the close of the year and the child's earned income represents not more than one half of support needs.

Preferential rates on long-term capital gains and qualified dividends are applicable; 3.8% federal NII tax is imposed separately on each child if modified AGI exceeds threshold amounts stated above.

Child tax credit

- \$2,000 per "qualifying child" (who has not attained age 17 during the year); phased out as modified AGI exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,500 per child is refundable
- \$500 nonrefundable credit for qualified dependents other than qualifying children (with some modified AGI phaseouts)

Standard deductions

	Annual	Additional age 65+ or blind
Married/Filing jointly and qualifying widow(er)s	\$25,900	\$1,400
Single	\$12,950	\$1,750

Health savings accounts contribution limits

Individual	\$3,650
Family	\$7,300

Catch-up contribution: Taxpayers who are 55 or older in 2022 may contribute an additional \$1,000, or a total of \$4,650 for individuals and \$8,300 for families.

Deduction for mortgage interest

- Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits
- Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence

Deduction for state and local taxes

Individuals may deduct state and local income (or sales) taxes and real and personal property taxes up to \$10,000 (\$5,000 if married filing separately) in the aggregate.

