



Business Planning

Adoption Assistance Programs

Adoption assistance	2019	2020
Maximum amount that can be excluded from employee's gross income	\$14,080	\$14,300
Phaseout threshold amount	\$211,160	\$214,520
Completed phaseout amount after	\$251,160	\$254,520

Earnings subject to FICA taxes (taxable wage base)

FICA tax	2019	2020
Maximum annual earnings subject to Social Security taxes	\$132,900	\$137,700
Social Security and Medicare combined tax rate	15.30% ¹	15.30% ¹
OASDI portion (Social Security)	12.40%	12.40%
Hospital Insurance portion (Medicare)	2.90% ¹	2.90% ¹

¹ An additional Medicare (HI) employee contribution rate of 0.9% (for a total employee contribution of 2.35%, and a total combined Medicare contribution rate of 3.8%) is assessed on wages exceeding \$200,000 (\$250,000 for married couples filing joint returns, \$125,000 for married individuals filing separate returns). For married individuals filing joint returns, the additional 0.9% tax applies to the couples combined wages (to the extent the combined wages exceed \$250,000).

Health insurance deduction for self-employed

Health insurance premiums	2019	2020
Deduction for health insurance premiums paid by self-employed persons	100%	100%

Qualified transportation fringe benefits

Qualified transportation fringe benefits	2019	2020
Commuter vehicles and transit pass monthly exclusion amount	\$265	\$270
Qualified parking monthly exclusion amount	\$265	\$270
Qualified bicycle commuting reimbursement fringe benefit (monthly amount)	N/A	N/A

Section 179 expensing

Section 179 expensing	2019	2020
Maximum amount that may be deducted under IRC Section 179	\$1,020,000	\$1,040,000
Deduction reduced by the amount by which the cost of §179 property placed in service during the year exceeds this amount	\$2,550,000	\$2,590,000

Small business tax credit for providing health-care coverage

Amount of credit	2019	2020
Maximum credit percentage	50%	50%

Partial credit	2019	2020
Number of full-time equivalent employees (FTEs) fewer than:	25	25
Maximum average annual wages less than:	\$54,200	\$55,200


Full credit	2019	2020
Number of full-time equivalent employees (FTEs) no more than:	10	10
Maximum average annual wages less than or equal to:	\$27,100	\$27,600

Special additional first-year depreciation allowance

Bonus depreciation	2019	2020
"Bonus" depreciation for qualified property acquired and placed in service during specified time periods	100%	100%

Standard mileage rate (per mile)

Business use of auto	2019	2020
Use of auto for business purposes	\$0.58	TBD



Tax on accumulated earnings and personal holding company income

Accumulated earnings and personal holding company income	2019	2020
Maximum tax on these items	20%	20%