

# **2022 POCKET GUIDE TO TAXES**

*TO HELP YOU PREPARE  
2022 TAX RETURNS DUE APRIL 2023*

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## PLANNING TIPS FOR 2022

- **Election to expense cost of tangible personal property** under Section 179 is \$1,080,000 with a \$2,700,000 investment limitation.
- **“Bonus depreciation”** is 100% of cost for qualified assets including purchase of used property.
- **Qualified Business Income deduction** includes 20% deduction for pass through business income up to \$170,050 single and \$340,140 married filing jointly.
- **Social Security recipients** can earn the following amounts before benefits are reduced in 2022:

<b>Under Full Retirement Age</b>	\$19,560
<b>Full Retirement Age (attained)</b>	\$51,960
<b>Over Full Retirement Age</b>	No limitation
- **Child tax credit** is \$2,000 per qualifying child (\$1,400 is refundable); joint filers with AGI up to \$400,000 (\$200,000 for all others).
- **The estate tax exemption** is \$12,060,000 per individual.
- **The annual exclusion for gifts** of present interests is \$16,000 per recipient for 2022.

## INCOME YOU MUST REPORT

- Wages, salary, tips and other compensation
- Fees, commissions, bonuses, rents
- Interest income, dividends
- IRA distributions
- Lump-sum distributions
- Distributions from SEPs
- Employer-paid disability benefits
- Excess business expense reimbursements
- Gains on sale or exchange of property
- Trust accumulation distribution
- Income earned outside the U.S.
- Embezzled or illegal income
- Social Security benefits
- Lottery & gambling winnings
- Tier 2 and supplemental annuities from Railroad Retirement Act
- Capital gains
- Pensions and annuities
- Taxable state tax refunds
- Bartering income
- Unemployment benefits
- S Corporation profits
- Partnership profits
- Original issue discount
- Executor fees
- Director's fees
- Prizes and awards
- Certain scholarship amounts
- Endowments
- Punitive damages

## INCOME YOU DO NOT REPORT

- Welfare benefits
- Veteran's Administration benefits
- Worker's Compensation benefits
- Child support
- Gifts
- Veteran's life insurance dividends
- Casualty insurance amounts
- Certain fellowships
- Life insurance proceeds received because of a person's death
- Student loans canceled in return for services
- Certain inherited assets (excluding accrued income and retirement accounts)
- Alimony (Divorces after 2018)

## PERSONAL EXEMPTION

**2022 Exemption Amount: \$0**

*There has been no personal exemption since 2018.*

## 2022 SOCIAL SECURITY TAX

	<u>TAX BASE</u>	<u>RATE</u>	<u>MAX. TAX</u>
Social Security	\$147,000	6.2%	\$9,114
Medicare	No Limit	1.45%	No Limit
Additional Medicare	---	0.9%	No Limit

## 2022 SELF-EMPLOYMENT TAX

	<u>TAX BASE</u>	<u>RATE</u>	<u>MAX. TAX</u>
Social Security	\$147,000	12.4%	\$18,228
Medicare	No Limit	2.9%	No Limit
Additional Medicare	---	0.9%	No Limit

## ITEMIZED DEDUCTIONS & PERCENTAGE LIMITATIONS

### MEDICAL EXPENSE

Minimum — 7.5% of AGI

### NON-BUSINESS STATE, LOCAL, PROPERTY AND SALES TAX

Maximum — \$10,000

### ***MORTGAGE INTEREST DEDUCTION:***

- Mortgage interest up to \$750,000 acquisition indebtedness.
- No interest deduction for home equity loans, unless proceeds used to improve home.

## 2022 STANDARD MILEAGE RATES

<u>USE OF AUTO</u>	<u>JAN - JUNE 2022</u>	<u>JULY - DEC 2022</u>
Business	\$ 0.585/mile	\$ 0.625/mile
Charitable	\$ 0.14/mile	\$ 0.14/mile
Medical	\$ 0.18/mile	\$ 0.22/mile

## ADDITIONAL TAX ON INVESTMENT INCOME

- 3.8% additional tax on Net Investment Income.
- AGI over \$250,000 joint filers; \$200,000 single filers and head of household.
- Investment income includes interest, dividends, annuities, royalties, passive activity income and capital gains.

## WHO MUST FILE A RETURN?

### **YOU MUST FILE IF YOU ARE:**

### **AND HAVE GROSS INCOME**

#### **SINGLE**

Under 65 .....	\$ 12,950
65 or older .....	\$ 14,700

#### **MARRIED FILING A JOINT RETURN**

Both spouses under 65 .....	\$ 25,900
One spouse 65 or older .....	\$ 27,300
Both spouses 65 or older .....	\$ 28,700

#### **HEAD OF HOUSEHOLD**

Under 65 .....	\$ 19,400
65 or older .....	\$ 21,150

#### **QUALIFYING WIDOW(ER)**

Under 65 .....	\$ 25,900
65 or older .....	\$ 27,300

## FOR CHILDREN & OTHER DEPENDENTS

- Earned income taxed at rates and brackets for Single Taxpayers.
- Unearned income taxed at rates and brackets for Estates and Trusts.