

# Inflation Adjusted Amounts for 2020

## Cross References

- Rev. Proc. 2019-44
- Notice 2019-59

Each year, a number of provisions in the Internal Revenue Code (IRC) are adjusted for inflation. The IRS recently released the inflation adjusted amounts for 2020. The following chart highlights a number of these adjustments, as they compare to the 2019 and 2018 amounts. A more complete list will appear in Tab 1 of the *1040 Edition/Deluxe Edition of TheTaxBook*.

Tax Provision	2020	2019	2018
Standard deduction – MFJ	\$24,800	\$24,400	\$24,000
Standard deduction – Single	\$12,400	\$12,200	\$12,000
Standard deduction – HOH	\$18,650	\$18,350	\$18,000
Qualifying relative income limit	\$4,300	\$4,200	\$4,150
Maximum EIC for 3 or more qualifying children	\$6,660	\$6,557	\$6,431
Maximum EIC for 2 qualifying children	\$5,920	\$5,828	\$5,716
Maximum EIC for 1 qualifying child	\$3,584	\$3,526	\$3,461
Maximum EIC for no qualifying children	\$538	\$529	\$519
Section 179 expense limit	\$1,040,000	\$1,020,000	\$1,000,000
Section 179 investment limit	\$2,590,000	\$2,550,000	\$2,500,000
Section 179 SUV limit	\$25,900	\$25,500	\$25,000
Estates basic exclusion amount	\$11,580,000	\$11,400,000	\$11,180,000
Annual exclusion for gifts	\$15,000	\$15,000	\$15,000
Defined contribution plan contribution limit	\$57,000	\$56,000	\$55,000
401(k) elective deferral limit for under age 50	\$19,500	\$19,000	\$18,500
401(k) elective deferral limit for age 50 and older	\$26,000	\$25,000	\$24,500
SIMPLE elective deferral limit for under age 50	\$13,500	\$13,000	\$12,500
SIMPLE elective deferral limit for age 50 and older	\$16,500	\$16,000	\$15,500
IRA deduction limit for under age 50	\$6,000	\$6,000	\$5,500
IRA deduction limit for age 50 and older	\$7,000	\$7,000	\$6,500
Key employee definition for top-heavy plans	\$185,000	\$180,000	\$175,000
Highly compensated employee definition	\$130,000	\$125,000	\$120,000
Qualified plan compensation limit	\$285,000	\$280,000	\$275,000
Child Tax Credit (per qualifying child)	\$2,000	\$2,000	\$2,000
Refundable portion of child tax credit	\$1,400	\$1,400	\$1,400
QBI Threshold Amount – MFJ	\$326,600	\$321,400	\$315,000
QBI Threshold Amount – Single & HOH	\$163,300	\$160,700	\$157,500
QBI Threshold Amount – MFS	\$163,300	\$160,725	\$157,500
Foreign Earned Income Exclusion	\$107,600	\$105,900	\$103,900
AMT Exemption – MFJ & QW	\$113,400	\$111,700	\$109,400
AMT Exemption – Single & HOH	\$72,900	\$71,700	\$70,300
AMT Exemption – MFS	\$56,700	\$55,850	\$54,700
AMT Kiddie Tax Exemption = earned income plus	\$7,900	\$7,750	\$7,600