



## 2019 Personal Income Tax Rates

Tax Rate Tables for Taxable Years Beginning January 1, 2019 (Source: Revenue Procedure 2018-57)

<b>Married Individuals Filing Joint Returns and Surviving Spouses</b>	
<b>If Taxable Income Is:</b>	<b>The Tax Is:</b>
Not over \$19,400	10% of the taxable income
Over \$19,40 but not over \$78,950	\$1,940 plus 12% of excess over \$19,400
Over \$78,950 but not over \$168,400	\$9,086 plus 22% of excess over \$78,950
Over \$168,400 but not over \$321,450	\$28,765 plus 24% of excess over \$168,400
Over \$321,450 but not over \$408,200	\$65,497 plus 32% of excess over \$321,450
Over \$408,200 not over \$612,350	\$93,257 plus 35% of the excess over \$408,200
Over \$612,350	\$164,709.50 plus 37% of excess over \$612,350

<b>Head of Household</b>	
<b>If Taxable Income Is:</b>	<b>The Tax Is:</b>
Not over \$13,850	10% of the taxable income
Over \$13,850 but not over \$52,850	\$1,385 plus 12% of excess over \$13,850
Over \$52,850 but not over \$84,200	\$6,065 plus 22% of excess over \$52,850
Over \$84,200 but not over \$160,700	\$12,962 plus 24% of excess over \$84,200
Over \$160,700 but not over \$204,100	\$31,322 plus 32% of excess over \$160,700
Over \$204,100 but not over \$510,300	\$45,210 plus 35% of the excess over \$204,100
Over \$510,300	\$152,380 plus 37% of excess over \$510,300

<b>Unmarried Individuals (Other than Surviving Spouses And Head of Household)</b>	
<b>If Taxable Income Is:</b>	<b>The Tax Is:</b>
Not over \$9,700	10% of the taxable income
Over \$9,700 but not over \$39,475	\$970 plus 12% of excess over \$9,700
Over \$39,475 but not over \$84,200	\$4,543 plus 22% of excess over \$39,475
Over \$84,200 but not over \$160,725	\$14,382.50 plus 24% of excess over \$84,200
Over \$160,725 but not over \$204,100	\$32,748.50 plus 32% of excess over \$160,725
Over \$204,100 but not over \$510,300	\$46,628.50 plus 35% of excess over \$204,100
Over \$510,300	\$153,798.50 plus 37% of excess over \$510,300

<b>Married Individuals Filing Separate Returns</b>	
<b>If Taxable Income Is:</b>	<b>The Tax Is:</b>
Not over \$9,700	10% of the taxable income
Over \$9,700 but not over \$39,475	\$970 plus 12% of excess over \$9,700
Over \$39,475 but not over \$84,200	\$4,543 plus 22% of excess over \$39,475
Over \$84,200 but not over \$160,725	\$14,382.50 plus 24% of excess over \$84,200
Over \$160,725 but not over \$204,100	\$32,748.50 plus 32% of excess over \$160,725
Over \$204,100 but not over \$306,175	\$44,628.50 plus 35% of the excess over \$204,100
Over \$306,175	\$82,354.75 plus 37% of excess over \$306,175



## Standard Deductions

In general. For taxable years beginning in 2019, the standard deduction amounts under § 63(c)(2) are as follows:

<i>Filing Status</i>	<i>Standard Deduction</i>
Married individuals filing jointly & surviving spouses	\$24,400
Head of Household	\$18,350
Unmarried individuals (other than surviving spouses and head of household)	\$12,200
Married Individuals filing separately	\$12,200

(Source: Revenue Procedure 2018-57)

**Overall Limitation on Itemized Deductions.** For taxable years beginning in 2018, the overall limitation on itemized deductions has been suspended.

### **Dependents.**

For taxable years beginning in 2019, the standard deduction amount under § 63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$1,100, or (2) the sum of \$350 and the individual's earned income

### **Aged and Blind**

For taxable years beginning in 2019, the additional standard deduction amount under § 63(f) for the aged or the blind is \$1,300. The additional standard deduction amount is increased to \$1,650 if the individual is also unmarried and not a surviving spouse.

## Personal Exemptions

For taxable years beginning in 2018, the personal exemption amount has been suspended.

## Foreign Earned Income Exclusion

For taxable years beginning in 2019, the foreign earned income exclusion amount under § 911(b)(2)(D)(i) is \$105,900.

## Net Investment Income Tax (NIIT aka "Obamacare")

The NIIT applies at a rate of 3.8% to certain net investment income of individuals, estates and trusts that have income above the statutory threshold. In general, investment income includes, but is not limited to: interest, dividends, capital gains, rental and royalty income, non-qualified annuities, income from businesses involved in trading of financial instruments or commodities and businesses that are passive activities to the taxpayer (within the meaning of section 469). The tax is applied to the lesser of (i) net investment income and (ii) modified adjusted gross income in excess of the following thresholds:

<i>Filing Status</i>	<i>NIIT Threshold</i>
Married individuals filing jointly & surviving spouses	\$250,000
Head of Household	\$200,000
Unmarried individuals (other than surviving spouses and head of household)	\$200,000
Married Individuals filing separately	\$125,000

## Long Term Capital Gains / Qualified Dividends

Long-term capital gains are subject to a maximum U.S. federal tax rate under IRC §1(h). A long-term capital gain is defined in IRC § 1222(3) to mean the gain from the sale or exchange of a capital asset held for more than 1 year, if and to the extent such gain is taken into account in computing taxable income. The sale or exchange of a capital asset held for not more than 1 year will be treated as a short-term capital gain. Short-term capital gains are taxed as ordinary income subject to the regular graduated tax rates.

Qualified dividends are also subject to the same maximum US federal tax rate under IRC §1(h)(11). The term "qualified dividend income" means dividends received during the taxable year from (I) U.S. domestic corporations, and (II) qualified foreign corporations. A qualified foreign corporation means any foreign corporation if (I) such corporation is incorporated in a possession of the United States, or (II) such corporation is eligible for benefits of a comprehensive income tax treaty with the United States which the Secretary determined is satisfactory for these purposes and which includes an exchange of information program. Canada is on the list.

Dividends received from a Passive Foreign Investment Company (PFIC) are not qualified dividends.

## Regular and capital gains tax rates for 2019

Capital Gain Tax Rate	Married Filing Jointly (and Surviving Spouses)	Head of Household	Other Individuals	Estates or Trusts
0%	\$0 - \$78,750	\$0 - \$52,750	\$0 - \$39,375	\$0 - \$2,650
15%	\$78,750 - \$488,850	\$52,750 - \$461,700	\$39,375 - \$434,550	\$2,650 - \$12,950
20%	\$488,850 and above	\$461,700 and above	\$4434,550 and above	\$12,950 and above

## Social Security Rates

There are two components to U.S. Social Security. Old Age Survivors and Disability Insurance (OASDI) and Medicare (also known as Health Insurance or "HI"). For 2019, the OASDI rate is 6.2% of earnings. For 2019, the Maximum Taxable Earnings are \$132,900. Therefore the maximum OASDI is \$8,240 (\$132,900 x 6.2%).

There is no maximum taxable earnings with respect to HI. The rate is 1.45% on the first \$200,000 of wages (\$250,000 if MFJ), and 2.35% on amounts above \$200,000 (\$250,000 if MFJ).



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