

Let's talk about the results you're looking for.

We're eager to learn about the results you're looking for and show you how we'll help you achieve them.

Simply complete reply card, detach, and mail or fax it to us (336.275.1129)

(Please check all that apply.)

Please send me information on how DMJ can assist me in the following area(s):

- Personal Tax Planning and Services
- Business Tax Planning and Services
- Auditing or Accounting Services
- Financial Planning and Investment Management
- Healthcare Practice Consultation
- Other Services

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DMJ & Co., PLLC
DMJ Wealth Advisors, LLC
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* Advisory services offered through Investment Advisors, a division of ProEquities, Inc., a Registered Investment Advisor. Securities offered through ProEquities, Inc., a Registered Broker-Dealer, Member, FINRA & SIPC. DMJ and DMJ Wealth Advisors, LLC are independent of ProEquities, Inc.

EMPLOYMENT TAX RATES

FICA	2019	2018
	Wage Base	Wage Base
Social Security	\$132,900	\$128,400
Medicare	no limit	no limit
Self-Employment	2019	2018
	Wage Base	Wage Base
Social Security	\$132,900	\$128,400
Medicare	no limit	no limit

ADDITIONAL MEDICARE TAX

The Additional Medicare Tax is a 0.9% tax on Medicare wages and self-employment earnings that exceed the following threshold* amounts:

- Single-\$200,000
- Married Filing Jointly-\$250,000
- Married Filing Separately-\$125,000

* Employers are required to withhold this tax from wages when an employee is paid more than \$200,000 in a calendar year. Self-employed individuals should include this tax when figuring their estimated tax liabilities.

STANDARD MILEAGE DEDUCTIONS

Use	Per Mile	
	2019	2018
Business	58¢	54.5¢
Charitable	14¢	14¢
Medical	20¢	18¢

WHO IS DMJ?

Established in 1949, DMJ & Co., PLLC is a Top 300 North Carolina accounting firm providing audit and accounting, tax planning, preparation, financial, and compliance services to corporate and individual clients with offices in the Triad, Triangle, and Sandhills. Relationships with our clients go far beyond the scope of traditional accounting and auditing services providing specialized services, industry knowledge, and consulting.

HSA CONTRIBUTION LIMITS

	2019	2018
Individual	\$3,500	\$3,450
Family	\$7,000	\$6,900
Catch-Up (55 or older)	\$1,000	\$1,000

FSA CONTRIBUTION LIMITS

	2019	2018
	\$2,700	\$2,650

CORPORATE INCOME TAX RATES

Tax rate	2019	2018
US	21% flat	21% flat
NC	2.5% flat	3.0% flat

CORPORATE ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties, a corporate taxpayer is required to pay estimated tax payments equal to the lesser of:

- (1) 100% of prior year tax liability*, provided a positive tax liability was shown and the prior tax year consisted of twelve months, or
- (2) 100% of current year tax liability.

* Not available for corporations with a taxable income of at least \$1 million in any one of three immediately preceding tax years.

THE TAX CUTS AND JOBS ACT OF 2017

The Tax Cuts and Job Act of 2017 is the largest tax bill in more than three decades. Substantive changes are in process in all areas of taxation. Individuals and businesses will understandably have questions and are encouraged to contact DMJ for clarification of the new federal law.

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Certified Public Accountants
Business Consultants
Healthcare Practice Consultants
Wealth Advisors

2019 POCKET TAX GUIDE

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INDIVIDUAL INCOME TAX RATES

Regular Tax*

2019	Base Taxable Income	Tax on Base	% on Excess Over Base
Joint Return	\$ 0	\$ 0	10%
	19,400	1,940	12%
	78,950	9,086	22%
	168,400	28,765	24%
	321,450	65,497	32%
	408,200	93,257	35%
	612,350	164,709.50	37%
Single	\$ 0	\$ 0	10%
	9,700	970	12%
	39,475	4,543	22%
	84,200	14,382.50	24%
	160,725	32,748.50	32%
	204,100	46,628.50	35%
	510,300	153,798.50	37%

2018	Base Taxable Income	Tax on Base	% on Excess Over Base
Joint Return	\$ 0	\$ 0	10%
	19,050	1,905	12%
	77,400	8,907	22%
	165,000	28,179	24%
	315,000	64,179	32%
	400,000	91,379	35%
	600,000	161,379	37%
Single	\$ 0	\$ 0	10%
	9,525	952.50	12%
	38,700	4,453.50	22%
	82,500	14,089.50	24%
	157,500	32,089.50	32%
	200,000	45,689.50	35%
	500,000	150,689.50	37%

* Long term capital gains are generally subject to a maximum 15% tax rate: 20% rate for gains otherwise in the 37% tax bracket in 2018 and 2019. In 2019, the 20% rate applies if taxable income is more than the following amounts: Joint > \$488,850, Single > \$434,550. In 2018, the 20% rate applies if taxable income is more than the following amounts: Joint > \$479,000, Single > \$425,800. A lower capital gains rate of 0% applies to persons in the 10% or 15% bracket.

NC INDIVIDUAL TAX RATES

2019	2018
5.25%	5.499%

KIDDIE TAX

In 2019, a child's unearned income will be taxed under the rate schedules for trusts and estates.

NET INVESTMENT INCOME TAX

The Net Investment Income Tax is a 3.8% tax on the lesser of (1) net investment income* or (2) the excess of modified adjusted gross income over the following threshold amounts:

- Single-\$200,000
- Married Filing Jointly-\$250,000
- Married Filing Separately-\$125,000

* Net investment income includes interest, dividends, rents, royalties, and gains on the disposition of property not held in an active trade or business.

SOCIAL SECURITY BENEFITS

Maximum Annual Earned Income Limit*

	2019	2018
Ages 62-65	\$17,640	\$17,040
The year attain age 66	\$46,920	\$45,360
Thereafter	no limit	no limit

* Earned income exceeding this limit results in reduction of Social Security benefits.

TAXABLE SOCIAL SECURITY BENEFITS

Provisional Income*	% Subject to Tax	
Married	Single	
Over \$32,000	Over \$25,000	50%
Over \$44,000	Over \$34,000	85%

* Provisional income includes adjusted gross income, tax exempt interest, certain foreign source income, and one half of Social Security benefits.

ALTERNATIVE MINIMUM TAX (AMT)

Tax Rate	2019	2018		
26% up to, then 28%	\$194,800	\$191,100		
Exemption Amount*	Phase Out			
Filing Status	2019	2018	2019	2018
Joint Return	\$111,700	\$109,400	\$1,020,600	\$1,000,000
Single	\$71,700	\$70,300	\$510,300	\$500,000

* Reduced as AMT income exceeds phase out base.

INDIVIDUAL ESTIMATED TAX PAYMENTS

To avoid possible underpayment penalties (if tax due with return will exceed \$1,000), taxpayer is required to deposit through withholding or estimated tax payments the lesser of:

- (1) 100% of prior year tax liability*, or
- (2) 90% of current year tax liability.

* "High income" taxpayers (i.e. those whose 2018 adjusted gross income was greater than \$150,000) must pay 110% of their 2018 tax liability.

RETIREMENT PLAN CONTRIBUTION LIMITS

Individual and Corporate Limitations

	2019	2018
General Deferral Limits:		
401(k)/403(b) SIMPLE	\$19,000	\$18,500
Individual Retirement Account (IRA)*	6,000	5,500
Non-Deductible Roth IRA**	6,000	5,500
Catch-Up Contribution for Taxpayers Age 50 and Over:		
401(k)/403(b) SIMPLE	\$6,000	\$6,000
IRA/Roth IRA	3,000	3,000
	1,000	1,000
Compensation Limit for Benefit Calculations:	\$280,000	\$275,000

Overall Contribution Limits:
 Per Participant 100% of compensation up to \$56,000 (2019)
 Per Participant 100% of compensation up to \$55,000 (2018)
 Plus \$6,000 catch-up for age 50 and over
 Overall Plan Deduction Limit 25% of eligible compensation

* May be limited if taxpayer is a participant in another plan and earns over \$64,000 (single) or \$103,000 (married filing jointly) in 2019 and \$63,000 (single) or \$101,000 (married filing jointly) in 2018.

** Roth IRA contributions may be limited if taxpayer income is over \$122,000 (single) or \$193,000 (married filing jointly) in 2019 and \$120,000 (single) or \$189,000 (married filing jointly) in 2018.

NOTE: In general, contributions must be made before filing date of tax return, not including extensions.

ESTATE TAX RATES

Estate Tax

	Estate Before Tax	Rate On Excess	Heirs' Basis
2019	\$11,400,000	40%	Value at Death
2018	\$11,180,000	40%	Value at Death

Annual Gift Tax Exclusion

	2019	2018
Gifts per donee	\$15,000	\$15,000
Joint gifts with spouse	\$30,000	\$30,000

* The Gift Tax applicable exclusion is \$11,400,000 in 2019 and was \$11,180,000 in 2018.

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