

2022 Tax Considerations

Planning tip: Consult your tax advisors and start early with tax planning to put yourself in the position to save as much as you can on your tax bill. For more information on giving opportunities to Cornwall Manor, please contact Vicki Deitzler in the Advancement Office at 717-675-1510.

Charitable Deduction Changes

As of now, the \$300 charitable deduction (\$600 for joint filers) that was available to nonitemizers in 2021 has not been extended for 2022.

Individual Retirement Accounts (IRA's)

Required Minimum Distributions (RMDs) weren't required in 2020 — but they're back again for 2021 and beyond.

Once you reach age 70½, there's a tax-friendly way to make charitable donations even if you don't itemize. It's called a qualified charitable distribution (or QCD for short). With a QCD, **you can transfer up to \$100,000 each year from your traditional IRAs directly to charity.** If you're married, your spouse can transfer an additional \$100,000 to charity from his or her IRAs. The transfer is excluded from taxable income, and it counts toward your required minimum distribution. That's a win-win! But you can't also claim the tax-free transfer as a charitable deduction on Schedule A if you do itemize.

Standard Deductions

The standard deduction amounts will increase to \$12,950 for individuals and married couples filing separately, \$19,400 for heads of household and \$25,900 for married couples filing jointly and surviving spouses.

Standard Deduction Amounts 2022

Filing Status	Standard Deduction Amount
Single	\$12,950
Married Filing Jointly & Surviving Spouses	\$25,900
Married Filing Separately	\$12,950
Heads of Households	\$19,400

AVE/IRS

The additional standard deduction amount for the aged or the blind is \$1,400 for 2022. The additional standard deduction amount increases to \$1,750 for unmarried aged/blind taxpayers.

Alternative Minimum Tax Exemption

Here's what the alternative minimum tax (AMT) exemption amounts look like for 2022, adjusted for inflation:

Alternative Minimum Tax (AMT) Exemption Amounts 2022

Filing Status	Exemption Amount
Individual	\$75,900
Married Filing Jointly & Surviving Spouses	\$118,100
Married Filing Separately	\$59,050
Trusts & Estates	\$26,500

AVE/IRS

Capital Gains Tax

Capital gains tax rates remain the same for 2022, but the brackets for the rates will change. Here's a breakdown of long-term capital gains and qualified dividends rates for taxpayers based on their taxable income:

Capital Gains Tax Rates 2022

Filing Status	0% Rate:	15% Rate:	20% Rate Amount:
Married Filing Jointly & Surviving Spouses	\$0 and \$83,350	\$83,351 and \$517,200	Over \$517,200
Married Filing Separately	\$0 and \$41,675	\$41,676 and \$258,600	Over \$258,600
Heads of Households	\$0 and \$55,800	\$55,801 and \$488,500	Over \$488,500
Individual Taxpayers	\$0 and \$41,675	\$41,676 and \$459,750	Over \$459,760
Trusts & Estates	\$0 and \$2,800	\$2,801 and \$13,700	Over \$13,700

AVE/IRS

2022 Tax Bracket and Tax Rates

There are seven tax rates in 2022: 10%, 12%, 22%, 24%, 32%, 35% and 37%. Here's how they apply by filing status:

Individual Taxpayers (Single) Tax Rates 2022

If taxable income is between:	the tax due is:
0 - \$10,275	10% of taxable income
\$10,275 and \$41,775	\$1,027.50 + 12% of the amount over \$10,275
\$41,775 and 89,075	\$4,807.50 + 22% of the amount over \$41,775
\$89,075 and \$170,050	\$15,213.50 + 24% of the amount over \$89,075
\$170,050 and \$215,950	\$34,647.50 + 32% of the amount over \$170,050
\$215,950 and \$539,900	\$49,335.50 + 35% of the amount over \$215,950
\$539,900	\$162,718 + 37% of the amount over \$539,900

AVE/IRS

Married Individuals Filing Joint Returns and Surviving Spouses (Joint) Tax Rates 2022

If taxable income is between:	the tax due is:
0-\$20,550	10% of taxable income
\$20,500 and \$83,550	\$2,055 + 12% of the amount over \$20,500
\$83,500 and \$178,150	\$9,615 + 22% of the amount over \$83,550
\$178,150 and \$340,100	\$30,427 + 24% of the amount over \$178,150
\$340,100 and \$431,900	\$69,295 + 32% of the amount over \$340,100
\$431,900 and \$647,850	\$98,671 + 35% of the amount over \$431,900
\$647,850	\$174,253.50 + 37% of the amount over \$647,850

AVE/IRS

Married Filing Separately Tax Rates 2022

If taxable income is between:	the tax due is:
\$0 and \$10,275	10% of taxable income
\$10,275 and \$41,775	\$1,027.50 + 12% of the amount over \$20,550
\$41,775 and \$89,075	\$4,080.75 + 22% of the amount over \$41,775
\$89,075 and \$170,050	\$15,213.50 + 24% of the amount over \$89,075
\$170,050 and \$215,950	\$34,647.50 + 32% of the amount over \$170,050
\$215,950 and \$323,925	\$49,335.50 + 35% of the amount over \$215,950
\$323,925	\$87,126.75 + 37% of the amount over \$323,925

AVE/IRS

Head of Household Tax Rates 2022

If taxable income is between:	the tax due is:
\$0 and \$14,650	10% of taxable income
\$14,650 and \$55,900	\$1,465 + 12% of the amount over \$14,650
\$55,900 and \$89,050	\$6,415 + 22% of the amount over \$55,900
\$89,050 and \$170,050	\$13,708 + 24% of the amount over \$89,050
\$170,050 and \$215,950	\$33,148 + 32% of the amount over \$170,050
\$215,950 and \$539,900	\$47,836 + 35% of the amount over \$215,950
\$539,900	\$161,218.50 + 37% of the amount over \$539,900

AVE/IRS

Trusts & Estates Tax Rates 2022

If taxable income is between:	the tax due is:
\$0 and \$2,750	10% of taxable income
\$2,750 and \$9,850	\$275 + 24% of the amount over \$2,750
\$9,850 and \$13,450	\$1,979 + 24% of the amount over \$9,850
\$13,450	\$3,239 + 37% of the amount over \$13,450

AVE/IRS

Personal Exemption Amount

The personal exemption amount remains zero in 2022. The Tax Cuts and Jobs Act suspended the personal exemption through tax year 2025, balancing the suspension with an enhanced Child Tax Credit for most taxpayers and a near doubling of the standard deduction amount.

Federal Estate Tax Exemption

The federal estate tax exemption for decedents dying in 2022 will increase to \$12.06 million per person or \$24.12 million for a married couple.

Gift Tax Exclusion

The annual exclusion for federal gift tax purposes jumps to \$16,000 for 2022, up from \$15,000 in 2021.

Questions?

Please contact Cornwall Manor's Advancement Team at advancement@cornwallmanor.org or 717-675-1510.



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