

## 2021 Tax Table for Ordinary Income

### 2021 Tax Table for Ordinary Taxable Income (not Cap Gains income)

#### Married, joint filers 2021: income after Std or Itemized Deduction

Start of Bracket	Top of Bracket	Rate in Bracket	Cum Amount at Start of Bracket	Amount for Bracket
\$0	\$19,900	10%	0	\$1,990
\$19,900	\$81,050	12%	\$1,990	\$7,338
\$81,050	\$172,750	22%	\$9,328	\$20,174
\$172,750	\$329,850	24%	\$29,502	\$37,704
\$329,850	\$418,850	32%	\$67,206	\$28,480
\$418,850	\$628,300	35%	\$95,686	\$73,308
\$628,300	upward	37%	\$168,994	

#### Single filer 2021: ordinary income after Std or Itemized Deduction

Start of Bracket	Top of Bracket	Rate in Bracket	at Start of Bracket	Amount for Bracket
\$0	\$9,950	10%	0	\$995
\$9,950	\$40,525	12%	\$995	\$3,669
\$40,525	\$86,375	22%	\$4,664	\$10,087
\$86,375	\$164,925	24%	\$14,751	\$18,852
\$164,925	\$209,425	32%	\$33,603	\$14,240
\$209,425	\$523,600	35%	\$47,843	\$109,961
\$523,600	upward	37%	\$157,804	

Ordinary Taxable Income is Ordinary Income less the Standard Deduction or Itemized Deductions

The Standard deduction for 2021 is \$12,550 per taxpayer + \$1,350 if over age 65.

Example: Standard Deduction for Patti and Tom, both over age 65 = \$27,800.

Qualified Dividends and Long Term Gains are taxed at Capital Gains tax rates, generally 15% if you have ordinary income taxed in 12% marginal bracket.

Two big steps in marginal tax: 10 and 8 percentage point increases in marginal tax.

If you could, you'd like to keep ordinary income out of those two larger marginal tax brackets.

Sell more for spending from sales of securities with LT Capital Gains: perhaps 6% effective tax rate. Withdraw from Roth = \$0 tax.

A concern is what happens in the future: using low tax-cost sources of cash for your spending now leaves you with higher tax-cost sources later.

[See here for Tax Table for 2021: https://taxfoundation.org/2021-tax-brackets/#brackets.](https://taxfoundation.org/2021-tax-brackets/#brackets)

### 2021 Tax Table above restated in terms of MAGI (Essentially AGI, Line 8b on your 1040; see note below)

#### Married, joint filers 2021. Both over age 65 and Standard Deduction.

Start of Bracket	Top of Bracket	Rate in Bracket	Cum Amount at Start of Bracket	Amount for Bracket
\$0	\$47,700	10%	0	\$1,990
\$47,701	\$108,850	12%	\$1,990	\$7,338
\$108,851	\$200,550	22%	\$9,328	\$20,174
\$200,551	\$357,650	24%	\$29,502	\$37,704
\$357,651	\$446,650	32%	\$67,206	\$28,480
\$446,651	\$656,100	35%	\$95,686	\$73,308
\$656,101	upward	37%	\$168,994	

I used Std Deduction = \$27,800 for Patti and me

#### Single filer 2021. Over age 65 and Standard Deduction

Start of Bracket	Top of Bracket	Rate in Bracket	Cum Amount at Start of Bracket	Amount for Bracket
\$0	\$23,850	10%	0	\$995
\$23,850	\$54,425	12%	\$995	\$3,669
\$54,425	\$100,275	22%	\$4,664	\$10,087
\$100,275	\$178,825	24%	\$14,751	\$18,852
\$178,825	\$223,325	32%	\$33,603	\$14,240
\$223,325	\$523,600	35%	\$47,843	\$109,961
\$523,600	upward	37%	\$157,804	

I used Std Deduction = \$13,900

Note: Total MAGI will include Ordinary income and income taxed at Capital Gains rates.

Total MAGI is important to track to make sure you don't accidentally cross a Medicare Premium tripwire that you could otherwise avoid.

The first Medicare Premium tripwire is at \$176,000 for Joint, Married and \$88,000 for Single filer. See separate file.