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## **Updates and Changes for 2019 & 2020**

- The Traditional IRA and Roth IRA jumps to \$6,000 in 2019 and 2020 and if you're 50 and over, you can contribute \$1,000 more.
- Income ceilings for Roth pay-ins phase out at \$193,000 to \$203,000 for couples and \$122,000 to \$137,000 for individuals.
- For 2020, maximum 401K, 403B and 457 contribution rises to \$19,500 and over 50 can contribute an extra \$6,500. The cap on simple plans goes to \$13,500 and over 50 can put in \$3,000 more.
- The 2019 standard mileage rate for business driving goes to 58 cents a mile.
- Expired tax breaks for 2018 have now been extended. They include private mortgage insurance write-off, \$2M exclusively for forgiven debt on a home, deduction for college tuition, lower medical AGI deduction on Schedule A and bio diesel credit.
- There is a revamped Form W-4 or a withholdings form for 2020. You are not required to submit a new W-4 for 2020. The service has a new on-line withholding estimation to help you figure out whether you are having the correct amounts withheld from paychecks and retirement income.
- Congress agreed on the government funding bill, just in time for the holidays so no government shut-down this year. A lot of tax and retirement provisions were added on at the last minute. Such as:
  - The batch of expired tax breaks from 2017 and some for 2018 have been extended through 2020. This means you can go back and amend returns for 2018.
  - Retirement savings legislation is in the package. The Secure Act increases age for RMD's from 70 ½ to 72 and others.
  - Relief for taxpayers affected by natural disasters similar to hurricane Harvey, Irma and Maria.
  - Not included are the fixes to technical glitches in the 2017 tax reform law. Tax breaks for green energy and an expanded income credit and child credit.