

2022 Tax Guide

Updated: December 29, 2021



www.wm-cpa.com

(215) 675-8364

PAYROLL

	2022	2021
FICA / MEDICARE & SELF-EMPLOYMENT TAX		
Taxable wages for social security / Medicare	Up to \$147,000 / All	Up to \$142,800 / All
Maximum social security / Medicare tax	\$9114.00 / No Limit	\$8,853.60 / No Limit
Social Security / Medicare tax rate (Employee - wages under \$200K)	6.20% / 1.45%	6.20% / 1.45%
Medicare tax rate (Employee > \$200K single, \$250K MFJ, \$125K MFS)	2.35%	2.35%
Social security / Medicare tax rate (employers)	6.20% / 1.45%	6.20% / 1.45%
Social security / Medicare tax rate (self-employed - up to limits below)	12.4% / 2.9%	12.4% / 2.9%
Medicare tax rate (Self-employed > \$200K single, \$250K MFJ, \$125K MFS)	3.80%	3.80%
FUTA (Federal Unemployment Tax)		
Taxable wage base	\$7,000	\$7,000
Maximum contributions	\$42	\$42
Net tax rate (6% less FUTA credit reduction of 5.4% for state UI taxes paid)	0.60%	0.60%
SOCIAL SECURITY EARNINGS LIMIT		
Under Full Retirement Age (age 65 - 67 depending on D.O.B.)	\$19,560	\$18,960
Over Full Retirement Age	No Limit	No Limit

FEDERAL TAX DEPOSITORY RULES:

MONTHLY - If the annual accumulated tax liability is <= \$50,000 for the lookback period, deposit monthly by the 15th of the following month regardless of pay date.

SEMI-WEEKLY - If the annual accumulated tax liability is > \$50,000 for the lookback period and

* payroll check date is Wed, Thur, Fri, deposit by the following **Wednesday**.

* payroll check date is Sat, Sun, Mon or Tues, deposit by the following **Friday**.

EXCEPTIONS:

* De minimis Rule - If the quarterly accumulated tax liability is less than \$2,500 for the quarter, remit the liability with the quarterly tax return.

* \$100,000 Rule - If the accumulated tax liability is \$100,000 or more, deposit the liability on the next banking day.

LOOKBACK PERIOD:

Cumulative tax liability for the preceding period July 1, 2020 through June 30, 2021

ELECTRONIC FEDERAL TAX PAYMENT SYSTEM (EFTPS):

Tax deposits must be made through EFTPS (Electronic Federal Tax Payment System) utilizing either the Internet or telephone. This requirement applies to corporate income tax, estimated corporate income tax, employment taxes (FUTA, FICA, withholding), and excise taxes. Taxpayers are subject to a 10% penalty for failure to deposit by EFTPS. The only exception to this is if the taxpayer is remitting less than \$2,500 in employment taxes for the entire quarter.

STATE RATES:

	Rate
PENNSYLVANIA INCOME TAX WITHHOLDING	
Nonresident Withholding	3.07%
	> \$5,000
PENNSYLVANIA UNEMPLOYMENT	
Employer taxable wage base for employees	\$10,000
Employee tax w/h rate	0.06%/No Limit

NEW JERSEY INCOME TAX WITHHOLDING

Employee withholding rates	1.50% to 11.8%
Construction Contractor Services - Nonresidential	7.00%

NEW JERSEY UNEMPLOYMENT

UI/WF employee taxable wage base	\$39,800
TDI/FLI employee taxable wage base	\$151,900
Unemployment tax withholding rate for employees	
Unemployment (UI)	0.3825%
Temporary Disability (TDI)	0.1400%
Workforce Development (WF)	0.0425%
Family Leave (FLI)	0.1400%

DELAWARE INCOME TAX WITHHOLDING

Graduated from	2.20% to 6.60%
For annual wages paid in excess of	\$2,000

DELAWARE UNEMPLOYMENT

Employer taxable wage base for employees	.3% - 8.2%
	\$18,500

	Minimum Wage Rates	w/ Tips
Federal	\$7.25	\$2.13
Pennsylvania	\$7.25	\$2.83
New Jersey	\$13.00/\$11.90	\$4.13
Delaware	\$10.50	\$2.23
Florida	\$10.00/\$11.00	\$6.98

Philadelphia Wage Tax	
Resident	3.8398%
Non-Resident	3.4481%

NEW HIRE REPORTING: Pennsylvania, New Jersey, Florida and Delaware require employees to report basic information about newly hired or rehired employees.

2022 Tax Guide

Updated: December 29, 2021



www.wm-cpa.com

(215) 675-8364

INDIVIDUAL - RETIREMENT

	2022	2021
IRA CONTRIBUTION LIMIT	\$6,000	\$6,000
50 & over catch-up	\$1,000	\$1,000
SIMPLE DEFERRAL LIMIT	\$14,000	\$13,500
50 & over catch-up	\$3,000	\$3,000
401(k) DEFERRAL LIMIT	\$20,500	\$19,500
50 & over catch-up	\$6,500	\$6,500
PHASE-OUT INCOME LEVELS FOR:		
IRA DEDUCTIBILITY (with company retirement plan)		
Single / Head of Household	\$68,000 - \$78,000	\$66,000 - \$76,000
Joint	\$109,000 - \$129,000	\$105,000 - \$125,000
Joint & Spouse with no income or no plan	\$204,000 - \$224,000	\$198,000 - \$208,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000
ROTH IRA CONTRIBUTION ELIGIBILITY		
Single/Head of Household	\$129,000 - \$144,000	\$125,000 - \$140,000
Joint	\$204,000 - \$214,000	\$198,000 - \$208,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000
Rollover of regular IRA to Roth IRA	No Limit	No Limit

BUSINESS

	2022	2021
SECTION 179 DEPRECIATION		
Maximum deduction limit	\$1,080,000	\$1,050,000
Phase-out threshold	\$2,700,000	\$2,620,000
BONUS DEPRECIATION *	100%	100%
* Extended through 2022 with 20% phase-out in 2023 - 2027		
STANDARD MILEAGE RATE		
Business	58.5¢	56¢
Charitable activities	14¢	14¢
Medical/Moving expense	18¢	16¢

INDIVIDUAL - EDUCATION

	2022	2021
EDUCATION CREDITS & PHASE-OUT INCOME LEVELS		
LIFETIME LEARNING CREDIT		
	\$2,000	\$2,000
Single/Head of Household	\$80,000 - \$90,000	\$80,000 - \$90,000
Joint	\$160,000 - \$180,000	\$160,000 - \$180,000
Married filing separately	N/A	N/A
AMERICAN OPPORTUNITY CREDIT		
	\$2,500	\$2,500
Single/Head of Household	\$80,000 - \$90,000	\$80,000 - \$90,000
Joint	\$160,000 - \$180,000	\$160,000 - \$180,000
Married filing separately	N/A	N/A

INDIVIDUAL - OTHER

	2022	2021
ESTATE TAX EXCLUSION **	\$12,060,000	\$11,700,000
** The estate tax exclusion sunsets on 12/31/25 and in 2026 reverts back to \$5 million (indexed for inflation)		
ANNUAL GIFT EXCLUSION	\$16,000	\$15,000
CHILD TAX CREDIT & PHASE-OUT INCOME LEVELS		
Children ages 5 and under	\$2,000	\$3,600
Children ages 6 through 17	\$2,000	\$3,000
Single/Married filing separately	\$200,000	\$75,000/\$200,000
Joint	\$400,000	\$150,000/\$400,000
Head of Household	\$200,000	\$112,500/\$200,000
STANDARD DEDUCTION		
Single/Married filing separately	\$12,950	\$12,550
Joint	\$25,900	\$25,100
Head of Household	\$19,400	\$18,800
20% QBI DEDUCTION - PHASE-IN INCOME LEVELS		
Single/Head of Household	\$170,050 - \$220,050	\$164,900 - \$214,900
Joint	\$340,100 - \$440,100	\$329,800 - \$429,800