



Down South

Accounting & Tax

2022 Tax Overview

This guide lists some of the changes most likely to affect our clients' 2022 tax returns. It is for information only; everyone's tax situation is unique, so talk with us before using this guide to make tax-related decisions.

Standard Deduction:

Filing Status	Deduction Amount
Married Filing Jointly; Qualifying Surviving Spouse	\$25,900
Head of Household	\$19,400
Single; Married Filing Separately	\$12,950
Age 65 and/or Blind Additional Amount – Unmarried	\$1,750
Age 65 and/or Blind Additional Amount – Married	\$1,400 per spouse

Child and Dependent Care Credit: The credit amount reverts back to pre-2021 rules and is no longer refundable. The credit is calculated based on the taxpayers' income and total qualifying child care expenses (up to \$3,000 for one child and \$6,000 for two or more children).

Child Tax Credit/Additional Child Tax Credit: The credit amount reverts back to pre-2021 rules. The credit is up to \$2,000 per qualifying child under the age of 17.

Cryptocurrency: Every taxpayer must state whether or not they had financial interest in any virtual currency or other digital asset during the tax year. If you had cryptocurrency, please contact us for reporting requirements.

Retirement plan contribution limits: For tax year 2022, the IRA contribution limit remains \$6,000 (with a \$1,000 catch-up for those 50 and older), and the limit for 401(k) plans is \$20,500 (with a \$6,500 catch-up for anyone 50 years old or older). Anyone with earned income may now make IRA contributions, regardless of age.

Early retirement plan distributions: If you took a Covid-related distribution in 2020 and opted to spread the tax impact over three years, you will need to account for year 3 on your 2022 return.

2022 Income Tax Brackets:

Rate	Joint Return	Individual Return
10%	\$0 - \$20,550	\$0 - \$10,275
12%	\$20,550 - \$83,550	\$10,275 - \$41,775
22%	\$83,550 - \$178,150	\$41,775 - \$89,075
24%	\$178,150 - \$340,100	\$89,075 - \$170,050
32%	\$340,100 - \$431,900	\$170,050 - \$215,950
35%	\$431,900 - \$647,850	\$215,950 - \$539,900
37%	Over \$647,850	Over \$539,900



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