



National Tax Advisory®

TO: All Professional Tax Personnel
FROM: Shaun M. Hunley, J.D., LL.M.

NTA-1087
DATE: January 14, 2020

RE: Adjusted Gross Income Phaseout Ranges for 2019 and 2020

Many of the tax law's benefits are limited to taxpayers with Adjusted Gross Income (AGI) below a certain level. To help you keep track of the appropriate AGI phaseout ranges for your clients' situations, the following chart summarizes the more popular ones and provides the applicable statutory reference. **The limits shown are for both the 2019 and 2020 tax years unless otherwise noted.**

Description	IRC Sec(s).	See Footnotes	Adjusted Gross Income Phaseout Range		
			Joint Return	Single (S)/Head of Household (H)	Married Filing Separately
Education Credits, Exclusions, and Deductions:					
American Opportunity Tax Credit	25A	¹	\$160,000–\$180,000	\$80,000–\$90,000	No credit
Lifetime Learning Credit	25A	¹			
2019			\$116,000–\$136,000	\$58,000–\$68,000	No credit
2020			\$118,000–\$138,000	\$59,000–\$69,000	No credit
Coverdell Education Savings Account	530	^{1, 7}	\$190,000–\$220,000	\$95,000–\$110,000	\$95,000– \$110,000
Savings Bond Interest Exclusion	135	¹			
2019			\$121,600–\$151,600	\$81,100–\$96,100	No exclusion
2020			\$123,550–\$153,550	\$82,350–\$97,350	No exclusion
Student Loan Interest Deduction	221	¹			
2019			\$140,000–\$170,000	\$70,000–\$85,000	No deduction
2020			\$140,000–\$170,000	\$70,000–\$85,000	No deduction
Retirement Plan and IRA Credits and Deductions:					
IRA Deduction with Pension Coverage	219(g)	¹			
2019			\$103,000–\$123,000	\$64,000–\$74,000	\$0–\$10,000
2020			\$104,000–\$124,000	\$65,000–\$75,000	\$0–\$10,000
IRA Deduction with Spouse Having Pension Coverage	219(g)(7)	¹			
2019			\$193,000–\$203,000	N/A	\$0–\$10,000
2020			\$196,000–\$206,000	N/A	\$0–\$10,000
Retirement Contribution Credit	25B	¹			
2019—50% credit			Up to \$38,500	Up to \$19,250 (S) Up to \$28,875 (H)	Up to \$19,250
20% credit			\$38,501–\$41,500	\$19,251–\$20,750 (S) \$28,876–\$31,125 (H)	\$19,251–\$20,750
10% credit			\$41,501–\$64,000	\$20,751–\$32,000 (S) \$31,126–\$48,000 (H)	\$20,751–\$32,000
2020—50% credit			Up to \$39,000	Up to \$19,500 (S) Up to \$29,250 (H)	Up to \$19,500

Description	IRC Sec(s).	See Footnotes	Adjusted Gross Income Phaseout Range		
			Joint Return	Single (S)/Head of Household (H)	Married Filing Separately
20% credit			\$39,001–\$42,500	\$19,501–\$21,250 (S) \$29,251–\$31,875 (H)	\$19,501–\$21,250
10% credit			\$42,501–\$65,000	\$21,251–\$32,500 (S) \$31,876–\$48,750 (H)	\$21,251–\$32,500
Roth IRA Contribution	408A	¹			
2019			\$193,000–\$203,000	\$122,000–\$137,000	\$0–\$10,000
2020			\$196,000–\$206,000	\$124,000–\$139,000	\$0–\$10,000
Other Credits, Deductions, and Exclusions:					
Adoption Credit/Exclusion	23 and 137	¹			
2019			\$211,160–\$251,160	\$211,160–\$251,160	No credit/ exclusion
2020			\$214,520–\$254,520	\$214,520–\$254,520	No credit/ exclusion
Child Credit	24	^{1, 4, 7}	\$400,000–?	\$200,000–?	\$200,000–?
Elderly/Disabled Credit	22	^{3, 5, 7}	\$10,000–\$25,000	\$7,500–\$17,500	\$5,000–\$12,500
Qualified Business Income (QBI) Deduction	199A	⁶			
2019			\$321,400–\$421,400	\$160,700–\$210,700 (S) \$160,700–\$210,700 (H)	\$160,725– 210,725
2020			\$326,600–\$426,600	\$163,300–\$213,300 (S) \$163,300–\$213,300 (H)	\$163,300– 213,300
Exemptions:					
AMT Exemption	55(d)	²			
2019			\$1,020,600– \$1,467,400	\$510,300–\$797,100	\$510,300– \$733,700
2020			\$1,036,800– \$1,490,400	\$518,400–\$810,000	\$518,400– \$745,200
Passive Activity Rehabilitation Credit Exemption	469(i)	^{1, 3, 7}	\$200,000–\$250,000	\$200,000–\$250,000	\$100,000– \$125,000
Passive Rental Real Estate Loss (\$25,000) Exemption	469(i)	^{1, 3, 7}	\$100,000–\$150,000	\$100,000–\$150,000	\$50,000–\$75,000

¹ Modifications to AGI apply. The modifications vary depending on the relevant Code section.

² Phaseout applies to alternative minimum taxable income rather than AGI.

³ Married individuals filing separately can claim the credit/exception only if they lived apart during the entire year.

⁴ Size of phaseout range depends on the number of qualifying children in the family.

⁵ Married individuals normally must file a joint return to take the credit even though a married filing separately phaseout range is shown. Also, the credit is phased out at \$20,000 under the married filing joint status if only one spouse is eligible for the credit.

⁶ Phaseout applies to taxable income (before the QBI deduction) rather than AGI.

⁷ These amounts are not adjusted for inflation.