

# Inflation Adjusted Amounts

## Cross References

- Rev. Proc. 2021-45
- Notice 2021-61

Each year, a number of provisions in the Internal Revenue Code (IRC) are adjusted for inflation. The IRS recently released the inflation adjusted amounts for 2022. The following chart highlights a number of these adjustments, as they compare to the 2020 and 2021 amounts. A complete list will appear in Tab 1 of the *1040 Edition/Deluxe Edition of TheTaxBook*.

Tax Provision	2022	2021	2020
Standard deduction – MFJ	\$25,900	\$25,100	\$24,800
Standard deduction – Single	\$12,950	\$12,550	\$12,400
Standard deduction – HOH	\$19,400	\$18,800	\$18,650
Qualifying relative income limit	\$4,400	\$4,300	\$4,300
Maximum EIC for 3 or more qualifying children	\$6,935	\$6,728	\$6,660
Maximum EIC for 2 qualifying children	\$6,164	\$5,980	\$5,920
Maximum EIC for 1 qualifying child	\$3,733	\$3,618	\$3,584
Maximum EIC for no qualifying children	\$560	\$1,502	\$538
Section 179 expense limit	\$1,080,000	\$1,050,000	\$1,040,000
Section 179 investment limit	\$2,700,000	\$2,620,000	\$2,590,000
Section 179 SUV limit	\$27,000	\$26,200	\$25,900
Estates basic exclusion amount	\$12,060,000	\$11,700,000	\$11,580,000
Annual exclusion for gifts	\$16,000	\$15,000	\$15,000
Defined contribution plan contribution limit	\$61,000	\$58,000	\$57,000
401(k) elective deferral limit for under age 50	\$20,500	\$19,500	\$19,500
401(k) elective deferral limit for age 50 and older	\$27,000	\$26,000	\$26,000
SIMPLE elective deferral limit for under age 50	\$14,000	\$13,500	\$13,500
SIMPLE elective deferral limit for age 50 and older	\$17,000	\$16,500	\$16,500
IRA deduction limit for under age 50	\$6,000	\$6,000	\$6,000
IRA deduction limit for age 50 and older	\$7,000	\$7,000	\$7,000
Key employee definition for top-heavy plans	\$200,000	\$185,000	\$185,000
Highly compensated employee definition	\$135,000	\$130,000	\$130,000
Qualified plan compensation limit	\$305,000	\$290,000	\$285,000
Child Tax Credit (per qualifying child) *	\$2,000	3,000/3,600	\$2,000
Refundable portion of child tax credit *	\$1,500	3,000/3,600	\$1,400
QBI Threshold Amount – MFJ	\$340,100	\$329,800	\$326,600
QBI Threshold Amount – Single & HOH	\$170,050	\$164,900	\$163,300
QBI Threshold Amount – MFS	\$170,050	\$164,925	\$163,300
Foreign Earned Income Exclusion	\$112,000	\$108,700	\$107,600
AMT Exemption – MFJ & QW	\$118,100	\$114,600	\$113,400
AMT Exemption – Single & HOH	\$75,900	\$73,600	\$72,900
AMT Exemption – MFS	\$59,050	\$57,300	\$56,700

\* For 2021, the Child Tax Credit is increased from \$3,000 to \$3,600 per child who has not yet attained age 6.