

## Summary of 2022 Key Tax Facts

### 2022 Standard Mileage Rates

IRS released optional standard mileage rates for 2022, determined in accord with Rev. Proc. 2019-46. The rates are as follows:

- 58.5 cents per mile for business purposes
- 18 cents per mile for medical purposes (the moving expenses deduction is not available for 2022)
- 14 cents per mile for charitable purposes (set by statute, thus does not change annually)

### 2022 “Token” Amounts

The deductible amount for “insubstantial benefits to donors” for 2022 was increased by 40 cents to \$11.70.

To paraphrase IRS Publication 1771 (for 2022):

Token Exception — Insubstantial goods or services a charitable organization provides in exchange for contributions do not have to be described in the acknowledgment.

Goods and services are considered to be insubstantial if the payment occurs in the context of a fund-raising campaign in which a charitable organization informs the donor of the amount of the contribution that is a deductible contribution, and:

1. The fair market value of the benefits received does not exceed the lesser of 2 percent of the payment or \$117, or
2. The payment is at least \$58.50, the only items provided bear the organization’s name or logo (e.g., calendars, mugs, or posters), and the cost of these items is within the limit for “low-cost articles,” which is \$11.70.

Free, unordered low-cost articles are also considered to be insubstantial.

Two things:

1. Note that the token amounts represent the *cost* to the charity, not fair market value.
2. Token items can generally include books and similar items that are marked or stamped with the charity’s logo or name.

### 2022 Inflation-Adjusted Amounts

The IRS announced annual inflation adjustments for more than two dozen tax provisions for tax year 2022, including the following:

- The annual exclusion for gifts increases to \$16,000 for 2022, up from \$15,000 in 2021.
- Estates of decedents who die during 2022 have a basic exclusion amount of \$12,060,000 (up from \$11,700,000 for estates of decedents who died in 2021).
- The “gross income” threshold for filing Form 990-T remains at \$1,000 for 2022 returns — the same as it has been since 1951! (But SEE Form 990-T changes!)
- The OASDI (i.e., Social Security) maximum compensation base (“FICA limit”) is \$147,000 for 2022, up from \$142,800 in 2021.
- The threshold for filing Form 990 electronically remains at \$10 million and 250 information returns. (But note that ALL 990-series returns are mandated for eFiling in the future.)
- The foreign earned income exclusion rises to \$112,000 for 2022, up from \$108,700 in 2021.
- The highly compensated employee limit for 2022 increases to \$135,000, vs. \$130,000 in 2021.

### Uniform Guidance Major Program Threshold

- \$750,000 for 2022, same as in 2021.