

2022 Tax Law Updates for Americans Abroad

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4 min read



Each year the IRS provides updated information related to the new tax year. Use this guide as a quick reference to the most common dates and tax provisions for American Expats.

As a reminder, every American who meets the following worldwide income thresholds **MUST** file a US tax return:

- Single: \$12,950
- Head of Household: \$19,400
- Married Filing Jointly: \$25,900
- Married Filing Separately: \$5
- Self-Employed: \$400

You must file a Foreign Bank Account Report (FinCEN Report 114) if you hold the equivalent of \$10,000 at any time, across foreign accounts.

2022 Filing Deadlines for tax year 2021:

- April 18th
 - US Tax Return deadline for US tax residents
 - FBAR Deadline → automatic extension available
- June 15th
 - US Tax Return deadline for Americans Abroad
- October 17th
 - US Tax Return → extended deadline
 - FBAR → extended deadline
- December 15th
 - Additional Expat extension

Foreign Earned Income Exclusion (FEIE): a tax benefit allowing expats to exclude some or all of their foreign income:

- 2021: \$108,700
- 2022: \$112,000

Foreign Housing Exclusion: combined with the FEIE (above) and is based on your foreign location:

- 2021: See [Section 3](#) for housing limitations
- 2022: updated housing costs expected to be released around March 2022

Foreign Tax Credit: A nonrefundable tax credit for income taxes paid to a foreign government. You can optimize between using the Foreign Earned Income Exclusion and/or the Foreign Tax Credit to help reduce your US tax liability.

Estate & Gifting

Annual Gift Tax Exclusion:

- 2021: \$15,000 per person
- 2022: \$16,000 per person

Annual Gift Tax Exclusion for gifts to [non-US citizen spouses](#):

- 2021: \$159,000
- 2022: \$164,000

** Gifts made between US citizen spouses are not taxable in any amount*

Estate Tax Thresholds:

- 2021: \$11,700,000 exclusion
- 2022: \$12,060,000 exclusion

Retirement Contributions

[Standard Deduction](#):

- Married filing jointly
 - 2021: \$25,100
 - 2022: \$25,900
- Single OR Married filing separately
 - 2021: \$12,550
 - 2022: \$12,950
- Head of Household:
 - 2021: \$18,800
 - 2022: \$19,400

[Marginal Tax Rates](#):

2022: Tax brackets have remained the same since 2018, the brackets are indexed annually to adjust for inflation. The top US bracket remains 37%.

General Updates

[Contribution limit for employees](#) who participate in 401(k), 403(b), and most 457 plans:

- 2021: \$19,500 (or \$26,500 if you are over 50)
- 2022: \$20,500 (or \$27,000 if you are over 50)

[Traditional IRA](#), deductions available for employees/spouses who do not have access to a qualified US plan, regardless of income

- 2021*: \$6,000 (or \$7,000 if you are over age 50)
- 2022: \$6,000 (or \$7,000 if you are over age 50)

**2021 contributions can be made through April 15, 2022*

2022 Tax Brackets for Single Filers and Married Couples Filing Jointly

Tax Rate	Taxable Income (Single)	Taxable Income (Married Filing Jointly)
10%	Up to \$10,275	Up to \$20,550
12%	\$10,276 to \$41,775	\$20,551 to \$83,550
22%	\$41,776 to \$89,075	\$83,551 to \$178,150
24%	\$89,076 to \$170,050	\$178,151 to \$340,100
32%	\$170,051 to \$215,950	\$340,101 to \$431,900
35%	\$215,951 to \$539,900	\$431,901 to \$647,850
37%	Over \$539,900	Over \$647,850

2022 Tax Brackets for Married Couples Filing Separately and Head-of-Household Filers

Tax Rate	Taxable Income (Married Filing Separately)	Taxable Income (Head of Household)
10%	Up to \$10,275	Up to \$14,650
12%	\$10,276 to \$41,775	\$14,651 to \$55,900
22%	\$41,776 to \$89,075	\$55,901 to \$89,050
24%	\$89,076 to \$170,050	\$89,051 to \$170,050
32%	\$170,051 to \$215,950	\$170,051 to \$215,950
35%	\$215,951 to \$323,925	\$215,951 to \$539,900
37%	Over \$323,925	Over \$539,900

Source: [Kiplinger.com](https://www.kiplinger.com)

Use this guide as a quick source for US figure changes, but please speak with your tax advisor and/or financial planner to discuss planning around your unique situation. Some of my favorite planning opportunities for Americans in Switzerland include:

1. Deductible Traditional IRA contribution — available regardless of income, when your employer does not offer a US qualified retirement plan
2. Spousal gifting from a US citizen to a non-US citizen spouse
3. Head of Household filing status for US citizens who are married to a non-US citizen spouse and have a qualifying dependent child
4. Swiss treaty recognition of US qualified retirement accounts
5. Pillar 2 withdrawal when departing Switzerland

Helpful resources:

- [IRS Publication 54: Tax Guide for US Citizens and Resident Aliens Abroad](#)
 - [IRS FBAR Reference Guide](#)
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