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Ordinary Income - Tax Rates/Brackets

In general, the ordinary income tax rates/brackets apply to all income, unless an exemption applies. Ordinary income normally includes wages, income from self-employment, businesses, rental income, interest, ordinary dividends, and short-term capital gains (assets held for a year or less).

Single Filers

| Tax Rate | Taxable Income | |
|----------|---------------------------------------|-----------|
| | From | To |
| 0% | Standard or Itemized Deduction Amount | |
| 10% | \$0 | \$12,400 |
| 12% | \$12,401 | \$50,400 |
| 22% | \$50,401 | \$105,700 |
| 24% | \$105,701 | \$201,775 |
| 32% | \$201,776 | \$256,225 |
| 35% | \$256,226 | \$640,600 |
| 37% | \$640,601 | No limit |

Head of Household

| Tax Rate | Taxable Income | |
|----------|---------------------------------------|-----------|
| | From | To |
| 0% | Standard or Itemized Deduction Amount | |
| 10% | \$0 | \$17,700 |
| 12% | \$17,701 | \$67,450 |
| 22% | \$67,451 | \$105,700 |
| 24% | \$105,701 | \$201,750 |
| 32% | \$201,751 | \$256,200 |
| 35% | \$256,201 | \$640,600 |
| 37% | \$640,601 | No limit |

Married Filing Jointly (and Surviving Spouse)

| Tax Rate | Taxable Income | |
|----------|---------------------------------------|-----------|
| | From | To |
| 0% | Standard or Itemized Deduction Amount | |
| 10% | \$0 | \$24,800 |
| 12% | \$24,801 | \$100,800 |
| 22% | \$100,801 | \$211,400 |
| 24% | \$211,401 | \$403,550 |
| 32% | \$403,551 | \$512,450 |
| 35% | \$512,451 | \$768,700 |
| 37% | \$768,701 | No limit |

Married Filing Separately

| Tax Rate | Taxable Income | |
|----------|---------------------------------------|-----------|
| | From | To |
| 0% | Standard or Itemized Deduction Amount | |
| 10% | \$0 | \$12,400 |
| 12% | \$12,401 | \$50,400 |
| 22% | \$50,401 | \$105,700 |
| 24% | \$105,701 | \$201,775 |
| 32% | \$201,776 | \$256,225 |
| 35% | \$256,226 | \$384,350 |
| 37% | \$384,351 | No limit |

Long-Term Capital Gains & Qualified Dividends - Tax Rates/Brackets

Long-term capital gains tax rates/brackets generally apply to investment assets held for over a year and to qualified dividends. Short-term capital gains (assets held for a year or less) are taxed at ordinary income tax rates. Unrecaptured section 1250 gains (such as from depreciated real estate) are taxed up to a maximum rate of 25%. Collectibles (such as coins or art) are taxed up to a maximum rate of 28%. See [IRS Publication 550](#).

Single Filers

| Tax Rate | Taxable Income | |
|----------|----------------|-----------|
| | From | To |
| 0% | \$0 | \$49,450 |
| 15% | \$49,451 | \$545,500 |
| 20% | \$545,501 | No limit |

Head of Household

| Tax Rate | Taxable Income | |
|----------|----------------|-----------|
| | From | To |
| 0% | \$0 | \$66,200 |
| 15% | \$66,201 | \$579,600 |
| 20% | \$579,601 | No limit |

Married Filing Jointly (and Surviving Spouse)

| Tax Rate | Taxable Income | |
|----------|----------------|-----------|
| | From | To |
| 0% | \$0 | \$98,900 |
| 15% | \$98,901 | \$613,700 |
| 20% | \$613,701 | No limit |

Married Filing Separately

| Tax Rate | Taxable Income | |
|----------|----------------|-----------|
| | From | To |
| 0% | \$0 | \$49,450 |
| 15% | \$49,451 | \$306,850 |
| 20% | \$306,851 | No limit |

3.8% Net Investment Income Tax (NIIT)

| Filing Status | Single or Head of Household | Married Filing Jointly (and Surviving Spouse) | Married Filing Separately |
|--|-----------------------------|---|---------------------------|
| AGI Income Limit When 3.8% NIIT Takes Effect | \$200,000 | \$250,000 | \$125,000 |

Kiddie Tax

This rule applies to unearned income (such as dividends, interest income, and capital gains) of dependent children under the age of 18 or to full-time students younger than 24 at the end of the tax year. Under this rule:

- The first \$1,350 of unearned income is not taxed because it's covered by the kiddie tax standard deduction.
- The next \$1,350 of unearned income is taxed at the child's marginal tax rate.
- Anything above \$2,700 is taxed at the parents' marginal tax rate.

Tax Deductions & Credits (that do not require you to itemize)

Tax deductions reduce your taxable income dollar for dollar, whereas tax credits reduce your tax liability dollar for dollar. Generally, tax credits offer larger tax benefits for those in the lower tax brackets, and tax deductions provide larger tax benefits for those in the higher tax brackets.

Standard Deduction

| Filing Status | Deduction Limit |
|---|-----------------|
| Single & Married Filing Separately | \$16,100 |
| Married Filing Jointly (and Surviving Spouse) | \$32,200 |
| Head of Household | \$24,150 |
| Kiddie tax limited standard deduction | \$1,350 |

Additional Standard Deduction

| Filing Status | Deduction Limit |
|--|------------------------|
| Blind, or age 65 or older | Add \$1,650 per person |
| Blind, or age 65 or older, must be unmarried | Add \$2,050 |

Tax Credits

| Child Tax Credit | Amount |
|---|---------|
| For child under the age of 17 (phaseout starts at \$400,000 for joint filers, \$200,000 for single filers) | \$2,200 |
| Lifetime Learning Tax Credit | |
| Qualified education expenses (phaseout starts at \$160,000 for joint filers, \$80,000 for all other filers) | \$2,000 |
| American Opportunity Tax Credit | |
| Qualified education expenses (phaseout starts at \$160,000 for joint filers, \$80,000 for all other filers) | \$2,500 |

Other Tax Deductions

| Charitable Donations | Amount |
|---|---|
| Non-itemizers can now take a donation deduction for cash gifts | Up to \$1,000 for single filers or \$2,000 for joint filers |
| Temporary Senior Deduction | |
| For tax years 2025 to 2028, age 65 or older (phaseout starts at \$75,000 for single filer, \$150,000 for joint filer) | Up to \$6,000 per person |
| Student Loan Interest Deduction | |
| Interest on qualified education loans (phaseout starts at \$175,000 for joint filers, \$85,000 for all other filers) | \$2,500 |
| Health Savings Account (HSA) | |
| Must have coverage under a qualifying high-deductible health plan (age 55 or over can contribute an extra \$1,000) | Up to \$4,400 for self, Up to \$8,750 for family |
| Tip Income Deduction | |
| For tax years 2025 to 2028, phaseout starts at \$150,000 for single filers or \$300,000 for joint filers | Up to \$25,000 |
| Overtime Income Deduction | |
| For tax years 2025 to 2028, phaseout starts at \$150,000 for single filers or \$300,000 for joint filers | Up to \$12,500 for single filers, \$25,000 for joint filers |
| Auto Loan Interest Deduction | |
| For tax years 2025 to 2028, phaseout starts at \$100,000 for single filers or \$200,000 for joint filers | Up to \$10,000 |

Itemized Deduction Limits

For 2026 and onward, a new overall limit on itemized deductions, commonly called the “2/37 limit,” makes 35 cents on the dollar the maximum tax benefit that can be received from itemizing. This limit only impacts those in the 37% tax bracket.

| Deduction | Limit |
|--|--|
| Medical and dental expenses | 7.5% of AGI |
| For tax years 2025 to 2029, taxes you paid (state, local, property, sales, etc.), phaseout starts at \$505,000 | \$40,400, if over phase out amount reverts to \$10,000 |
| Mortgage interest and points: | |
| Mortgage on or after 12/16/2017 | \$750,000 |
| Mortgage before 12/16/2017 | \$1,000,000 |

| Deduction | Limit |
|---|--|
| Charitable donations | Various limitations apply, see Pub 526 |
| New floor on donations that must be surpassed before taking a deduction | 0.5% of AGI |
| Overall limit | 50% of AGI |
| Cash donations | 60% of AGI |
| Appreciated assets held long term | 30% of AGI |

Retirement Plan Contribution Limits

Employer-Sponsored Plans

| Type | Limit |
|--|---|
| Overall limit for employer-sponsored defined contribution plans (does not include 457(b) plans) | \$72,000 |
| 401(k), Roth 401(k), 403(b), 457(b) plans; employee elective deferral limit | \$24,500 |
| Catch-up contribution limit for age 50 and over for 401(k) and Roth 401(k) (special catch-up limits may also apply to 403(b) and 457(b) plans) | \$8,000 age 50 to 59 and age 64 or older, \$11,250 age 60 to 63 |
| SIMPLE IRA and SIMPLE 401(k) plans; employee elective deferral limit | \$17,000 |
| Catch-up contribution limit for age 50 or over for SIMPLE plans | \$4,000 age 50 to 59 and age 64 or older, \$5,250 age 60 to 63 |
| SEP IRA plans: only employer contributions are allowed | Lesser of \$72,000 or 25% of wages (20% for owners) |
| Catch-up contribution limit for age 50 and over for SEP IRA plans | Not allowed |

Traditional IRAs & Roth IRAs

| Type | Limit |
|--|------------------------|
| Traditional IRA | \$7,500 |
| Catch-up contribution for age 50 and over | \$1,100 |
| Phaseout for those covered by an employer-sponsored plan | |
| • Single | \$81,000 to \$91,000 |
| • Married filing separately | \$0 to \$10,000 |
| • Married filing jointly | \$129,000 to \$149,000 |
| • Married filing jointly, you are not covered but your spouse is | \$242,000 to \$252,000 |
| Roth IRA | \$7,500 |
| Catch-up contribution for age 50 or over | \$1,100 |
| Roth IRA income phaseout | |
| • Single | \$153,000 to \$168,000 |
| • Married filing jointly | \$242,000 to \$252,000 |

Gift, Trust & Estate - Tax Rates/Brackets & Limits

Trust & Estate Ordinary Income Tax Rates & Brackets

| Tax Rate | Taxable Income | |
|----------|---------------------------------------|----------|
| | From | To |
| 0% | Standard or Itemized Deduction Amount | |
| 10% | \$0 | \$3,330 |
| 24% | \$3,331 | \$11,700 |
| 35% | \$11,701 | \$16,000 |
| 37% | \$16,001 | No limit |

Annual & Lifetime Gifting Limits

| Type | Limit |
|--|-------------------------|
| Maximum estate & gift tax rate | 40% |
| Annual gift tax exclusion | \$19,000 |
| Unified gift & estate tax exemption (Note: This amount also covers the generation-skipping tax) | \$15,000,000 per person |
| Annual exclusion for gifts to noncitizen spouse | \$194,000 |

Social Security

Social Security Rules & Limits

| Type | Amount |
|--|-----------|
| Social Security wage base | \$184,500 |
| FICA tax rate for employee | 7.65% |
| SECA tax rate for self-employed | 15.3% |
| Social Security earnings limits prior to full retirement age (FRA) | |
| Younger than FRA | \$24,480 |
| The year you reach FRA | \$65,160 |
| Social Security benefits cost-of-living adjustment | 2.8% |
| Maximum possible benefit at FRA | \$4,152 |
| Estimated average monthly benefit | \$2,071 |

Taxation of Social Security benefits is based on combined income (adjusted gross income without Social Security, plus tax-exempt interest, plus half of your Social Security benefits)

| Single, head of household, & widower combined income of | Taxable Portion |
|---|-----------------|
| \$25,000 or less | 0% |
| \$25,001 and \$34,000 | Up to 50% |
| More than \$34,000 | Up to 85% |
| Married filing jointly combined income of | Taxable Portion |
| \$32,000 or less | 0% |
| \$32,001 and \$44,000 | Up to 50% |
| More than \$44,000 | Up to 85% |

Social Security Full Retirement Age

| Year of Birth | 1943-54 | 1955 | 1956 | 1957 | 1958 | 1959 | 1960 and later |
|---------------------|---------|-----------------|-----------------|-----------------|-----------------|------------------|----------------|
| Social Security FRA | 66 | 66 and 2 months | 66 and 4 months | 66 and 6 months | 66 and 8 months | 66 and 10 months | 67 |

Medicare

| Monthly Premium | |
|---|----------|
| Part A for those with <30 quarters of coverage | \$565 |
| Part A for those with 30-39 quarters | \$311 |
| Part B | \$202.90 |
| Part A | |
| First 60 days (patient pays a deductible) | \$1,736 |
| Next 30 days (patient pays per day) | \$434 |
| Additional 60 lifetime reserve days (patient pay per day) | \$868 |
| After all lifetime reserve days are used, patient pays all costs. | |

| Part B | |
|---|---------|
| Deductible | \$283 |
| Coinsurance | 20% |
| Part D (Prescription Drug Plan) | |
| Deductible | \$615 |
| 25% coinsurance on next | \$2,100 |
| Out-of-pocket (OOP) threshold | \$2,100 |
| Beneficiary then pays coinsurance amount for additional covered expenses. | |

| Medicare Part B & D Income-Related Monthly Adjustment Amount (IRMAA) | | | |
|--|------------------|------------------------|------------------------|
| You Pay | | If Your 2024 MAGI Was | |
| Premium | Part D Surcharge | Single | Married |
| \$202.90 | Plan premium + | \$109,000 or less | \$218,000 or less |
| \$284.10 | \$14.50 | \$109,001 to \$137,000 | \$218,001 to \$274,000 |
| \$405.80 | \$37.50 | \$137,001 to \$171,000 | \$274,001 to \$342,000 |
| \$527.50 | \$60.40 | \$171,001 to \$205,000 | \$342,001 to \$410,000 |
| \$649.20 | \$83.30 | \$205,001 to \$499,999 | \$410,001 to \$749,999 |
| \$689.90 | \$91.00 | \$500,000 or more | \$750,000 or more |

Important disclosures

This information is not a specific recommendation, individualized tax advice. Tax laws are subject to change, either prospectively or retroactively. Where specific advice is necessary or appropriate, individuals should contact their own professional tax and investment advisors or other professionals (CPA, Financial Planner, Investment Manager, Estate Attorney) to help answer questions about specific situations or needs prior to taking any action based upon this information.

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