

2025 Income Tax Rates

Married Individuals Filing Jointly or a Qualifying Widow(er)		
If your taxable income is over:	But not over:	The tax is:
\$0	\$23,850	10% of taxable income
\$23,850	\$96,950	\$2,385 plus 12% of the excess over \$23,850
\$96,950	\$206,700	\$11,157 plus 22% of the excess over \$96,950
\$206,700	\$394,600	\$35,302 plus 24% of the excess over \$206,700
\$394,600	\$501,050	\$80,398 plus 32% of the excess over \$394,600
\$501,050	\$751,600	\$114,462 plus 35% of the excess over \$501,050
\$751,600		\$202,154.50 plus 37% of the excess over \$751,600

Heads of Households		
If your taxable income is over:	But not over:	The tax is:
\$0	\$17,000	10% of taxable income
\$17,000	\$64,850	\$1,700 plus 12% of the excess over \$17,000
\$64,850	\$103,350	\$7,442 plus 22% of the excess over \$64,850
\$103,350	\$197,300	\$15,912 plus 24% of the excess over \$103,350
\$197,300	\$250,500	\$38,460 plus 32% of the excess over \$197,300
\$250,500	\$626,350	\$55,484 plus 35% of the excess over \$250,500
\$626,350		\$187,031.50 plus 37% of the excess over \$626,350

Singles		
If your taxable income is over:	But not over:	The tax is:
\$0	\$11,925	10% of taxable income
\$11,925	\$48,475	\$1,192.50 plus 12% of the excess over \$11,925
\$48,475	\$103,350	\$5,578.50 plus 22% of the excess over \$48,475
\$103,350	\$197,300	\$17,651 plus 24% of the excess over \$103,350
\$197,300	\$250,525	\$40,199 plus 32% of the excess over \$197,300
\$250,525	\$626,350	\$57,231 plus 35% of the excess over \$250,525
\$626,350		\$188,769.75 plus 37% of the excess over \$626,350

Married Individuals Filing Separately		
If your taxable income is over:	But not over:	The tax is:
\$0	\$11,925	10% of taxable income
\$11,925	\$48,475	\$1,192.50 plus 12% of the excess over \$11,925
\$48,475	\$103,350	\$5,578.50 plus 22% of the excess over \$48,475
\$103,350	\$197,300	\$17,651 plus 24% of the excess over \$103,350
\$197,300	\$250,525	\$40,199 plus 32% of the excess over \$197,300
\$250,525	\$375,800	\$57,231 plus 35% of the amount over \$250,525
\$375,800		\$101,077.25 plus 37% of the amount over \$375,800

Trusts and Estates		
If taxable income is over:	But not over:	The tax is:
\$0	\$3,150	10% of taxable income
\$3,150	\$11,450	\$315 plus 24% of the excess over \$3,150
\$11,450	\$15,650	\$2,307 plus 35% of the excess over \$11,450
\$15,650		\$3,777 plus 37% of the excess over \$15,650



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Standard Deduction Amounts for 2025	
Married Individuals filing jointly	\$30,000
Singles	\$15,000
Married Individuals filing separately	\$15,000
Heads of households	\$22,500

Additional Standard Deductions	
At least age 65 and single	\$2,000
At least age 65 and married	\$1,600
Married, both over 65	\$3,200
Blind	\$1,600

Child and Family Credits	
Qualifying child (under 17)	\$2,000
Other dependent	\$500
Refundable amount	\$1,700
Credit phaseout Marrieds filing jointly	AGI over \$400,000
All other taxpayers	AGI over \$200,000

2025 Business Tax Rates	
Corporate Tax Rate	21%
Deduction for Pass-Through Business Income	20%

Alternative Minimum Tax

AMT Tax Rates for 2025		
Rate	Married Individuals filing separately	All other filers
26%	Up to \$119,550	Up to \$239,100
28%	More than \$119,550	More than \$239,100

AMT Exemption Amounts	
Single individual	\$88,100
Married Individuals filing jointly	\$137,000
Married Individuals filing separately	\$68,500

AMT Exemption Phaseout	
	Begins above
Married Individuals Filing Jointly	\$1,252,700
Singles	\$626,350
Married Individuals Filing Separately	\$626,350

Affordable Care Act (ACA) Taxes

Additional Medicare Tax	0.9% tax on wages and self-employment income over:
Married Individuals filing jointly	\$250,000
Singles	\$200,000
Married Individuals filing separately	\$125,000
Net Investment Income Tax	Additional 3.8% tax on net investment income if Modified Adjusted Gross Income exceeds:
Married Individuals filing jointly	\$250,000
Singles	\$200,000
Married Individuals filing separately	\$125,000
Heads of household	\$200,000
Qualifying widow(er)	\$250,000

Estate and Gift Taxes

Estates. The federal estate tax exemption in 2025 is \$13,990,000. With appropriate tax filings and tax elections, married couples may secure a \$27,980,000 exemption regardless of which spouse dies first or how the couple owns their property (assuming they both die in 2025). Amounts in excess of the exemption are taxed at a 40% rate.

Gifts. The lifetime federal gift tax exemption in 2025 is \$13,990,000. Amounts transferred in excess of the exemption are taxed at 40%.

For 2025, the annual exclusion from gift tax is \$19,000. A gift no larger than \$19,000 may be given to each of as many people as you wish without incurring gift tax or using your lifetime federal gift tax exclusion. To qualify for the annual exclusion, the gift must be of a “present interest,” meaning the person receiving the gift must have the immediate right to use and enjoy the gift, without strings attached. Couples may “split” their gifts to secure a \$38,000 annual exclusion.

College Savings Incentives

Section 529 plans. No federal tax need be paid on the income earned on amounts accumulated in a state-sponsored Section 529 plan. When withdrawals are made and used for qualified education expenses (college or up to \$10,000 of elementary or secondary school expenses) or up to \$10,000 (lifetime limit per individual) used to pay principal or interest on qualified education loan, they won't be taxed either.

Coverdell Education Savings Accounts (CESAs). You can contribute up to \$2,000 a year per child to a CESA. Earnings grow tax-free as long as withdrawals are used for qualified education expenses. Eligibility to contribute the full amount phases out between a modified adjusted gross income (MAGI) of \$95,000 and \$110,000 (singles) and, between \$190,000 and \$220,000 (marrieds filing jointly).

American Opportunity Tax Credit. The maximum American Opportunity Tax Credit is 100% of the first \$2,000 and 25% for the next \$2,000 of qualified tuition and related expenses. The credit phases out at MAGI of \$160,000 for marrieds filing jointly (\$80,000 for singles).

Lifetime Learning Credit. The maximum Lifetime Learning Credit is \$2,000, with the credit phasing out at modified adjusted gross income of \$160,000 for marrieds filing jointly (\$80,000 for singles).

U.S. Savings Bonds income exclusion. For 2025, the income from certain U.S. Savings Bonds used to pay qualified higher education expenses may be excluded from tax. Eligibility for the exclusion phases out from \$149,250 to \$179,250 for marrieds filing jointly, \$99,500 and \$114,500 for all other returns.

Interest deduction for education loans. For 2025, the income from certain U.S. Savings Bonds used to pay qualified higher education expenses may be excluded from tax. Eligibility for the exclusion phases out from \$149,250 to \$179,250 for marrieds filing jointly, \$99,500 and \$114,500 for all other returns.

Investments

Maximum Long-Term Capital Gains Tax Rates		
	0% tax rate	15% tax rate
Married individuals filing jointly or surviving spouse	\$96,700	\$600,050
Married Individuals filing separate returns	\$48,350	\$300,000
Head of household	\$64,750	\$566,700
All other individuals	\$48,350	\$533,400
Estate or trust	\$3,250	\$15,900

At higher income levels, the maximum tax rate on long-term capital gains is 20%.

IRA Required Minimum Distributions					
Age	Divisor	Percentage	Age	Divisor	Percentage
73.0	26.5	3.77%	95.0	8.9	11.24%
74.0	25.5	3.92%	96.0	8.4	11.90%
75.0	24.6	4.07%	97.0	7.8	12.82%
76.0	23.7	4.22%	98.0	7.3	13.70%
77.0	22.9	4.37%	99.0	6.8	14.71%
78.0	22.0	4.55%	100.0	6.4	15.63%
79.0	21.1	4.74%	101.0	6.0	16.67%
80.0	20.2	4.95%	102.0	5.6	17.86%
81.0	19.4	5.15%	103.0	5.2	19.23%
82.0	18.5	5.41%	104.0	4.9	20.41%
83.0	17.7	5.65%	105.0	4.6	21.74%
84.0	16.8	5.95%	106.0	4.3	23.26%
85.0	16.0	6.25%	107.0	4.1	24.39%
86.0	15.2	6.58%	108.0	3.9	25.64%
87.0	14.4	6.94%	109.0	3.7	27.03%
88.0	13.7	7.30%	110.0	3.5	28.57%
89.0	12.9	7.75%	111.0	3.4	29.41%
90.0	12.2	8.20%	112.0	3.3	30.30%
91.0	11.5	8.70%	113.0	3.1	32.26%
92.0	10.8	9.26%	114.0	3.0	33.33%
93.0	10.1	9.90%	115.0	2.9	34.48%
94.0	9.5	10.53%			

Retirement Plans and Social Security

Social Security for 2025	
Social Security wage base	\$176,100

Retirement Earnings Test Exempt Amounts	
Under full retirement age (\$1 in benefits is withheld for every \$2 in earnings above the limit).	\$23,400
The year in which full retirement age is reached (\$1 in benefits is withheld for every \$3 in earnings above the limit, but only for months prior to reaching full retirement age).	\$62,160
After full retirement age is reached	no limit

Taxation of Social Security Benefits	
Singles with <i>Provisional Income</i> *	
below \$25,000	pay no tax on benefits
from \$25,000 to \$34,000	pay tax on 50% of benefits
over \$34,000	pay tax on up to 85% of benefits
Married Individuals filing a joint return with <i>Provisional Income</i> *	
below \$32,000	pay no tax on benefits
from \$32,000 to \$44,000	pay tax on 50% of benefits
over \$44,000	pay tax on up to 85% of benefits

*The IRS defines *Provisional Income* as your modified adjusted gross income (MAGI) plus one-half of your Social Security benefits. (MAGI is AGI plus tax-exempt income.)

Maximum Retirement Plan Contribution Limits for 2025		
	Maximum contribution	Maximum contribution for those age 50 and over
Traditional IRA/ Roth IRA	\$7,000	\$8,000
401(k) plans	\$23,500	\$31,000*

* For those who are 60, 61, 62, or 63, the catch-up contribution in 2025 is \$11,250, for a maximum of \$34,750.

Phaseout of Deductibility of IRA Contributions Based on MAGI (if you are an active participant in a company retirement plan)	
Singles and heads of household	\$79,000 to \$89,000
Married Individuals filing joint returns and both spouses are active plan participants	\$126,000 to \$146,000
Married Individuals filing joint returns and one spouse is active plan participant	\$236,000 to \$246,000
Married Individuals filing separately	\$0 to \$10,000

Phaseout of Roth IRA Contributions Based upon MAGI	
Singles	\$150,000 to \$165,000
Married Individuals filing a joint return	\$236,000 to \$246,000

Other Credits and Deductions

Long-term care insurance premiums. In some instances, portions of the premiums paid for qualified long-term care insurance may be tax deductible. For 2025 they are: \$470 for those who are age 40 or under at the end of the tax year; \$880, if older than 40 but not older than 50; \$1,760, older than 50 but not older than 60; \$4,710, older than 60 but not older than 70; \$5,880, older than 70.

Adoption credit. You may be able to take a tax credit of up to \$16,810 for qualifying expenses paid to adopt an eligible child. Phaseout begins at modified adjusted gross income of \$252,150 and is phased out completely at \$292,150.

Developments occurring after January 1, 2025, are not reflected in this guide.

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