

2025

Federal Tax Guide

Key Insights and Updates

INCOME TAX RATES

If Taxable Income Is:

Over	But Not Over	The Tax Is	Of Amount Over
Single:			
\$0	\$11,925	\$0.00 + 10%	\$0
11,925	48,475	1,192.50 + 12%	11,925
48,475	103,350	5,578.50 + 22%	48,475
103,350	197,300	17,651.00 + 24%	103,350
197,300	250,525	40,199.00 + 32%	197,300
250,525	626,350	57,231.00 + 35%	250,525
626,350		188,769.75 + 37%	626,350

Married Filing Joint:

\$0	\$23,850	\$0.00 + 10%	\$0
23,850	96,950	2,385.00 + 12%	23,850
96,950	206,700	11,157.00 + 22%	96,950
206,700	394,600	35,302.00 + 24%	206,700
394,600	501,050	80,398.00 + 32%	394,600
501,050	751,600	114,462.00 + 35%	501,050
751,600		202,154.50 + 37%	751,600

Married Filing Separately:

\$0	\$11,925	\$0.00 + 10%	\$0
11,925	48,475	1,192.50 + 12%	11,925
48,475	103,350	5,578.50 + 22%	48,475
103,350	197,300	17,651.00 +24%	103,350
197,300	250,525	40,199.00 + 32%	197,300
250,525	375,800	57,231.00 + 35%	250,525
375,800		101,077.25 + 37%	375,800

Head of Household:

\$0	\$17,000	\$0.00 + 10%	\$0
17,000	64,850	1,700.00 +12%	17,000
64,850	103,350	7,442.00 + 22%	64,850
103,350	197,300	15,912.00 + 24%	103,350
197,300	250,500	38,460.00 + 32%	197,300
250,500	626,350	55,484.00 + 35%	250,500
626,350		187,031.50 + 37%	626,350

Estates and Trusts:

\$0	\$3,150	\$0.00 + 10%	\$0
3,150	11,450	315.00 + 24%	3,150
11,450	15,650	2,307.00 + 35%	11,450
15,650		3,777.00 + 37%	15,650

CORPORATE INCOME TAX RATE

The corporate income tax rate is a flat 21% for all corporations. There is no special rate for personal service corporations.

STANDARD DEDUCTIONS

Standard deduction for single individuals	\$15,000
Standard deduction for joint returns or surviving spouses	\$30,000
Standard deduction for head of households	\$22,500
Standard deduction for married individuals filing separate returns	\$15,000
Add'l standard deduction for married taxpayers age 65 or older or blind*	\$1,600
Add'l standard deduction for single taxpayers age 65 or older or blind*	\$2,000

*Taxpayers who are both age 65 and blind may claim twice the amount indicated as their additional standard deduction.

Phaseout of Itemized Deductions Does Not Apply in 2025

Code Section 179 Expense Allowance

Dollar limitations	\$1,250,000
Investment limitations	\$3,130,000

Qualified Business Income Phase-in Thresholds

	Taxable Income Phase-in
Married Filing Jointly	\$394,600 - \$494,600
Married Filing Separately	\$197,300 - \$247,300
All Others	\$197,300 - \$247,300

SOCIAL SECURITY

Maximum Compensation Subject to FICA

OASDI	\$176,100
HI Maximum	No Limit

- OASDI tax rate – 12.4% self-employed, 6.2% employees
- HI tax rate* – 2.9% self-employed, 1.45% employees
- * Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers)

Maximum Amount of Earnings to Still Receive Full Benefits

Under Full Retirement Age	\$23,400
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MAGI Amounts for Benefits to Be Taxable

	50% Taxable	85% Taxable
Married Filing Jointly	\$32,000	\$44,000
Single, HoH, MFS, Living Apart	\$25,000	\$34,000

CAPITAL GAINS AND DIVIDEND TAXABLE INCOME BRACKETS

	%0 rate	15% rate	20% rate
MFJ	Up to \$96,700	\$96,701 - \$600,050	Over \$600,050
MFS	Up to \$48,350	\$48,351 - \$300,000	Over \$300,000
S	Up to \$48,350	\$48,351 - \$533,400	Over \$533,400
HoH	Up to \$64,750	\$64,751 - \$566,700	Over \$566,700
E&T	Up to \$3,250	\$3,251 - \$15,900	Over \$15,900

INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:

- 1. 90% of current tax,
- 2. 100% of prior year’s tax, or
- 3. 110% of prior year’s tax if prior year’s AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
- Annualization exception
- No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year

CHILD TAX CREDIT

Credit for Children	\$2,000
Credit for Other Family Members	\$500
Phaseout - Married Filing Jointly	Over \$400,000
Phaseout - Single, Head of Household	Over \$200,000
Married Filing Separately	Over \$200,000

ESTATE & GIFT TAX

Annual Gift Tax Exclusion	\$19,000
for Noncitizen Spouses	\$190,000
Estate Tax Exclusion	\$13,990,000
Applicable Credit	\$5,541,800
Gift Tax Exclusion	\$13,990,000
Generation-Skipping Transfer Tax Exemption	\$13,990,000

IRAs

Contribution Limits - Traditional and Roth

Regular	\$7,000
Catch-up*	\$1,000

*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.

Roth IRAs

MAGI Phaseout Ranges for Contributions to Roth IRAs	
Married Filing Jointly	\$236,000-\$246,000
Single, Head of Household	\$150,000-\$165,000
Married Filing Separately	\$0-\$10,000

Traditional IRA Deductibility Rules

Filing Status	Covered by Qualified Plan?	Modified AGI	Deducability
Single, Head of Household	No	Any Amount	Full deduction
	Yes	\$79,000 or less	Full deduction
		\$79,001 - \$88,999	Partial deduction
		\$89,000 or more	No deduction
Married Filing Jointly	Neither spouse	Any Amount	Full deduction
	Both spouses covered	\$126,000 or less	Full deduction
		\$126,001 - \$145,999	Partial deduction
		\$146,000 or more	No deduction
	One spouse covered: for covered spouse	\$126,000 or less	Full deduction
		\$126,001, - \$145,999	Partial deduction
		\$146,000 or more	No deduction
	One spouse covered: for non-covered spouse	\$236,000 or less	Full deduction
\$236,001 - \$245,999		Partial deduction	
\$246,000 or more		No deduction	
Married Filing Separately	Neither spouse	Any amount	Full deduction
	Either spouse	\$9,999 or less	Partial deduction
		\$10,000 or more	No deduction

The information provided is not written or intended as specific tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel. Individuals involved in the estate planning process should work with an estate planning team, including their own personal legal or tax counsel.

This document provides the current information on 2025 tax-related amounts and is current as of November 11, 2024. Please refer to www.IRS.gov for the most up-to-date information, as changes could occur after this date.

HEALTH SAVINGS ACCOUNT

	Individual	Family
Minimum deductible	\$1,650	\$3,300
Maximum out-of-pocket limit	\$8,300	\$16,600
Maximum HSA contribution	\$4,300	\$8,550
Additional contribution for individuals age 55	\$1,000	\$2,000*

*If both spouses are within age range.

2025 QUALIFIED PLANS

Max elective deferral to retirement plans [e.g., 401(k), 403(b), 457]	\$23,500
Max elective deferral to starter 401(k) plan	\$6,000
Max elective deferral to pension-linked emergency savings account	\$2,500
Max elective deferral to SIMPLE IRAs*	\$16,500
Max uniform non-elective contribution to SIMPLE plans	\$5,100
Limit on annual additions to defined contribution plans or SEPs	\$70,000
Maximum annual compensation taken into account for contributions	\$350,000
Annual benefit limit under defined benefit plans	\$280,000
Threshold amount for definition of highly compensated employee	\$160,000
Threshold amount for definition of key employee in top-heavy plans	\$230,000
Catch-up Contributions**	

401(k), 403(b), SARSEP and 457 plans	\$7,500
SIMPLE IRAs*	\$3,500
Starter 401(k)	\$1,000

* The limitation for 2025 is \$17,600. (\$21,450 for individuals age 50 or older) for certain smaller SIMPLE plans or employers meeting contribution/matching requirements.
** The limit is increased for individuals who will turn 60, 61, 62, or 63 in 2025 to \$11,250 (\$5,250 for SIMPLE plans). After 2025, catch-up contributions for employees with compensation exceeding \$145,000 (as adjusted for inflation) must be to a Roth account.