

TAX RATES – TAX YEAR 2025

Note: This guide now reflects the One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, which made permanent most individual tax provisions of the 2017 Tax Cuts and Jobs Act (TCJA) and introduced additional changes effective for the 2025 tax year.

INCOME, ESTATE, AND GIFT TAX RATES TAX BRACKETS

Single Taxpayers – 2025

Taxable Income	Amount of Tax
Not over \$11,925	10% of the taxable income
Over \$11,925 but not over \$48,475	\$1,192.50 plus 12% of the excess over \$11,925
Over \$48,475 but not over \$103,350	\$5,578.50 plus 22% of the excess over \$48,475
Over \$103,350 but not over \$197,300	\$17,651 plus 24% of the excess over \$103,350
Over \$197,300 but not over \$250,525	\$40,199 plus 32% of the excess over \$197,300
Over \$250,525 but not over \$626,350	\$57,231 plus 35% of the excess over \$250,525
Over \$626,350	\$188,769.75 plus 37% of the excess over \$626,350

Married Filing Jointly Taxpayers and Surviving Spouses – 2025

Taxable Income	Amount of Tax
Not over \$23,850	10% of the taxable income
Over \$23,850 but not over \$96,950	\$2,385 plus 12% of the excess over \$23,850
Over \$96,950 but not over \$206,700	\$11,157 plus 22% of the excess over \$96,950
Over \$206,700 but not over \$394,600	\$35,302 plus 24% of the excess over \$206,700
Over \$394,600 but not over \$501,050	\$80,398 plus 32% of the excess over \$394,600
Over \$501,050 but not over \$751,600	\$114,462 plus 35% of the excess over \$501,050
Over \$751,600	\$202,154.50 plus 37% of the excess over \$751,600

Head of Household – 2025

Taxable Income	Amount of Tax
Not over \$17,000	10% of the taxable income
Over \$17,000 but not over \$64,850	\$1,700 plus 12% of the excess over \$17,000
Over \$64,850 but not over \$103,350	\$7,442 plus 22% of the excess over \$64,850
Over \$103,350 but not over \$197,300	\$15,912 plus 24% of the excess over \$103,350
Over \$197,300 but not over \$250,500	\$38,460 plus 32% of the excess over \$197,300
Over \$250,500 but not over \$626,350	\$55,484 plus 35% of the excess over \$250,500
Over \$626,350	\$186,981.50 plus 37% of the excess over \$626,350

Married Filing Separately Taxpayers – 2025

Taxable Income	Amount of Tax
Not over \$11,925	10% of the taxable income
Over \$11,925 but not over \$48,475	\$1,192.50 plus 12% of the excess over \$11,925
Over \$48,475 but not over \$103,350	\$5,578.50 plus 22% of the excess over \$48,475

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Over \$103,350 but not over \$197,300	\$17,651 plus 24% of the excess over \$103,350
Over \$197,300 but not over \$250,525	\$40,199 plus 32% of the excess over \$197,300
Over \$250,525 but not over \$375,800	\$57,231 plus 35% of the excess over \$250,525
Over \$375,800	\$101,077.25 plus 37% of the excess over \$375,800

Estates and Trusts – 2025

Taxable Income	Amount of Tax
Not over \$3,150	10% of the taxable income
Over \$3,150 but not over \$11,450	\$315 plus 24% of the excess over \$3,150
Over \$11,450 but not over \$15,650	\$2,307 plus 35% of the excess over \$11,450
Over \$15,650	\$3,777 plus 37% of the excess over \$15,650

DEDUCTIONS

Standard Deductions – 2025

Filing Status	Amount
Basic Standard Deductions	
Single	\$15,750
Married Filing Jointly / Surviving Spouse	\$31,500
Married Filing Separately	\$15,750
Head of Household	\$23,625
Additional (age 65+ and/or blind)	
Unmarried (including HOH)	\$2,000
Married or surviving spouse	\$1,600

Senior Bonus Deduction (New for 2025): The OBBBA introduced a new additional deduction for taxpayers age 65 and older of up to \$4,000 per person (\$8,000 for married filing jointly). This deduction phases out for single filers with modified AGI above \$75,000 and for joint filers with modified AGI above \$150,000. This provision is effective for tax years 2025 through 2028.

PERSONAL EXEMPTION

There are no personal exemptions for the 2025 tax year. The OBBBA permanently eliminated the personal exemption for taxpayers and dependents under 65 years of age.

ITEMIZED DEDUCTIONS AFTER TCJA AND OBBA

The Tax Cuts and Jobs Act (TCJA) brought significant changes to itemized deductions. The Pease Limitations on itemized deductions have been permanently repealed. The OBBBA, signed on July 4, 2025, made permanent several TCJA provisions and introduced additional changes. Below are the most significant itemized deduction rules:

- **State and Local Taxes (SALT).** For tax year 2025, the OBBBA temporarily increased the SALT deduction cap to \$40,000 (\$20,000 if married filing separately). The cap

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increases by 1% annually from 2026 through 2029. A phaseout applies for taxpayers with modified AGI exceeding \$500,000 (\$250,000 for married filing separately), but the deduction cannot be reduced below \$10,000 (\$5,000 for married filing separately). In 2030, the SALT rules revert to pre-OBBA levels.

- **Mortgage Interest.** Home mortgage interest deduction is permanently limited to the first \$750,000 of mortgage debt (\$375,000 if married filing separately). The interest deduction for home equity loans applies only if the loan proceeds are used to buy, build, or substantially improve the home that secures the loan.
- **Medical and Dental Expenses.** Taxpayers can deduct only the part of their medical and dental expenses that exceeds 7.5% of their adjusted gross income.
- **Charitable Contributions.** The limit on deductions for charitable contributions is 60% of adjusted gross income.
- **Miscellaneous Deductions.** The OBBA permanently eliminated the deduction for miscellaneous itemized deductions subject to the 2% AGI floor. This includes deductions for unreimbursed employee expenses (uniforms, union dues, business-related meals, entertainment, and travel), tax preparation fees, and theft and personal casualty losses (except certain casualty losses occurring in federally declared disaster areas).
- **New Car Loan Interest Deduction (2025–2028).** The OBBA provides a deduction for up to \$10,000 of interest on loans for the purchase of a new automobile. This deduction is available for both itemizers and non-itemizers. A phaseout applies for MAGI exceeding \$100,000 (\$200,000 for married filing jointly).

ADDITIONAL POPULAR CREDITS AND DEDUCTIONS FOR 2025

- **Child Tax Credit.** The OBBA increased the child tax credit to \$2,200 per qualifying dependent child age 16 or younger at the end of the calendar year (up from \$2,000). Up to \$1,700 of the credit is potentially refundable (the Additional Child Tax Credit). This tax credit is available for married persons filing jointly with modified AGI under \$400,000 (\$200,000 for all other taxpayers). The taxpayer (or at least one spouse on a joint return) must have a valid Social Security number.
- **Earned Income Tax Credit.** Offers between \$649 to \$8,046 of refundable tax credits (subject to maximum income limits) as follows:

Children	Max Credit	MFJ Income Limit	Single/HOH Limit
No Children	\$649	\$26,214	\$19,104
One Child	\$4,328	\$57,554	\$50,434
Two Children	\$7,152	\$63,809	\$56,689
Three or More	\$8,046	\$68,675	\$61,555

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- Student Loan Interest Deduction.** The maximum deduction for interest paid on student loans is \$2,500. The deduction is phased out for individual taxpayers with modified AGI between \$80,000 and \$95,000; and for married persons filing jointly with modified AGI between \$165,000 and \$195,000.

QUALIFIED BUSINESS INCOME DEDUCTION (199A DEDUCTION)

The OBBBA permanently extended the qualified business income deduction, which allows sole proprietors and owners of pass-through businesses to be eligible for a deduction of up to 20% for qualified business income. Entities generally eligible for this deduction are sole proprietorships, partnerships, S corporations, and limited liability companies with pass-through income. Qualified business income excludes: capital gains or losses, dividends, interest income, income earned outside the U.S., and certain wage and guaranteed payments made to partners and shareholders.

Filing Status	Threshold Amount	Phased-In Amount
Married Filing Jointly	\$0 - \$394,600	\$494,600
Married Filing Separately	\$0 - \$197,300	\$247,300
All Other Taxpayers	\$0 - \$197,300	\$247,300

ALTERNATIVE MINIMUM TAX

AMT rates (on taxable excess – i.e. alternative minimum taxable income less exemption amount)

Individual, estate, trust	26% of AMTI; 28% of AMTI exceeding \$239,100 (\$119,550 for married filing separately)
Corporation	Repealed by TCJA (permanent)

AMT EXEMPTION AMOUNTS – indexed for inflation

Filing Status	Exemption Amount
Single / Head of Household	\$88,100
Married Filing Jointly / Surviving Spouse	\$137,000
Married Filing Separately	\$68,500
Trusts and Estates	\$29,900
Corporation	N/A

AMT Exemption Phaseout: The exemption is reduced by 25 cents for each dollar of AMTI above the following thresholds: Joint Returns/Surviving Spouses: \$1,252,700 (complete phaseout at \$1,800,700). Unmarried Individuals: \$626,350 (complete phaseout at \$978,750). Married Filing Separately: \$626,350 (complete phaseout at \$900,350). Estates and Trusts: \$100,400 (complete phaseout at \$220,000).

Note: Beginning in 2026, the OBBBA reduces the AMT phaseout threshold to \$500,000 for singles and \$1,000,000 for joint filers, and increases the phaseout rate from 25% to 50%.

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2025 SELF-EMPLOYMENT TAX

FICA	Tax Base	Tax Rate
Social Security	\$176,100	12.4%
Medicare	No limit	2.9%

Additional Medicare Tax – Additional Medicare Tax: An additional 0.9% Medicare tax applies to wages, RRTA compensation, and self-employment income exceeding the following thresholds:

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household	\$200,000
Qualifying surviving spouse	\$200,000

CORPORATE TAX

Taxable Income	Amount of Tax
Any amount over \$0	21% of taxable income

ESTATE AND GIFT TAX RATES*

Taxable Amount	Tentative Tax Rate
\$0 - \$10,000	18%
\$10,001 - \$20,000	20%
\$20,001 - \$40,000	22%
\$40,001 - \$60,000	24%
\$60,001 - \$80,000	26%
\$80,001 - \$100,000	28%
\$100,001 - \$150,000	30%
\$150,001 - \$250,000	32%
\$250,001 - \$500,000	34%
\$500,001 - \$750,000	37%
\$750,001 - \$1,000,000	39%
Over \$1,000,000	40%

2025 Annual Gift Tax Exclusion: \$19,000 per individual; \$38,000 for married couples electing split gifts. Annual exclusion for gifts to a non-citizen spouse: \$190,000.

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Combined Lifetime Gift Tax and Gross Estate Tax Exemption: \$13,990,000 per individual (\$27,980,000 for married couples). This exemption was made permanent by the OBBBA and will increase to \$15,000,000 in 2026.

GST Tax Exemption: \$13,990,000 per individual.

SOCIAL SECURITY TAX* – 2025 (Total FICA Rate of 15.3%)

FICA	Tax Base	Rate	Maximum Tax
Social Security (12.4% total)			
Employee's share	\$176,100	6.2%	\$10,918.20
Employer's share	\$176,100	6.2%	\$10,918.20
Medicare (2.9% total)			
Employee's share	No limit	1.45%	No limit
Employer's share	No limit	1.45%	No limit

*Self-employed individuals are responsible for the entire FICA tax rate of 15.3 percent (12.4 percent Social Security plus 2.9 percent Medicare)

STANDARD MILEAGE RATES

Purpose	Rate per Mile
Business use of automobile	70¢
Medical or moving purposes (military only)	21¢
Charitable	14¢

2025 LIMITS FOR RETIREMENT ACCOUNTS

Account	Contribution Limit	Catch-Up (Age 50+)	Super Catch-Up (60–63)
401(k), 403(b), 457	\$23,500	\$7,500	\$11,250
SIMPLE IRA	\$16,500	\$3,500	\$5,250
SEP-IRA, QRP/Keogh	Up to \$70,000	N/A	N/A
Individual 401(k)	Up to \$70,000	\$7,500	\$11,250
Traditional & Roth IRA	\$7,000	\$1,000	N/A

SECURE 2.0 Act Note: Beginning in 2025, plan participants ages 60 through 63 may make enhanced catch-up contributions (shown in the “Super Catch-Up” column above) in lieu of the standard age 50+ catch-up amount, if permitted by the plan.

CAPITAL GAINS

Net short-term capital gains (assets held for one year or less) are taxed at ordinary federal income tax rates.

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LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDEND TAX TABLE

Filing Status	0% Rate	15% Rate	20% Rate
Single	\$0 - \$48,350	\$48,350 - \$533,400	Over \$533,400
MFJ	\$0 - \$96,700	\$96,700 - \$600,050	Over \$600,050
MFS	\$0 - \$48,350	\$48,350 - \$300,000	Over \$300,000
HOH	\$0 - \$64,750	\$64,750 - \$566,700	Over \$566,700

Net Investment Income Tax (NIIT): An additional 3.8% tax applies on the lesser of (a) net investment income (generally including interest, dividends, royalties, rents, passive activity income, and capital gains) or (b) the amount by which modified AGI exceeds \$200,000 for single filers, \$250,000 for married filing jointly, or \$125,000 for married filing separately.