



2025

Federal Tax

## Key Facts and Figures

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## INCOME TAXES

2024				2025			
If Taxable Income Is:				If Taxable Income Is:			
Over	But Not More Than	The Tax Is	Of the Amount Over	Over	But Not More Than	The Tax Is	Of the Amount Over
<b>Married Filing Jointly:</b>				<b>Married Filing Jointly:</b>			
\$0	\$23,200	\$0 + 10%	\$0	\$0	\$23,850	\$0 + 10%	\$0
23,200	94,300	2,320.00 + 12%	23,200	23,850	96,950	2,385.00 + 12%	23,850
94,300	201,050	10,852.00 + 22%	94,300	96,950	206,700	11,157.00 + 22%	96,950
201,050	383,900	34,337.00 + 24%	201,050	206,700	394,600	35,302.00 + 24%	206,700
383,900	487,450	78,221.00 + 32%	383,900	394,600	501,050	80,398.00 + 32%	394,600
487,450	731,200	111,357.00 + 35%	487,450	501,050	751,600	114,462.00 + 35%	501,050
731,200		196,669.50 + 37%	731,200	751,600		202,154.50 + 37%	751,600
<b>Married Filing Separately:</b>				<b>Married Filing Separately:</b>			
\$0	\$11,600	\$0 + 10%	\$0	\$0	\$11,925	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600	11,925	48,475	1,192.50 + 12%	11,925
47,150	100,525	5,426.00 + 22%	47,150	48,475	103,350	5,578.50 + 22%	48,475
100,525	191,950	17,168.50 + 24%	100,525	103,350	197,300	17,651.00 + 24%	103,350
191,950	243,725	39,110.50 + 32%	191,950	197,300	250,525	40,199.00 + 32%	197,300
243,725	365,600	55,678.50 + 35%	243,725	250,525	375,800	57,231.00 + 35%	250,525
365,600		98,334.75 + 37%	365,600	375,800		101,077.25 + 37%	375,800
<b>Head of Household:</b>				<b>Head of Household:</b>			
\$0	\$16,550	\$0 + 10%	\$0	\$0	\$17,000	\$0 + 10%	\$0
16,550	63,100	1,655.00 + 12%	16,550	17,000	64,850	1,700.00 + 12%	17,000
63,100	100,500	7,241.00 + 22%	63,100	64,850	103,350	7,442.00 + 22%	64,850
100,500	191,950	15,469.00 + 24%	100,500	103,350	197,300	15,912.00 + 24%	103,350
191,950	243,700	37,417.00 + 32%	191,950	197,300	250,500	38,460.00 + 32%	197,300
243,700	609,350	53,977.00 + 35%	243,700	250,500	626,350	55,484.00 + 35%	250,500
609,350		181,954.50 + 37%	609,350	626,350		187,031.50 + 37%	626,350
<b>Single:</b>				<b>Single:</b>			
\$0	\$11,600	\$0 + 10%	\$0	\$0	\$11,925	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600	11,925	48,475	1,192.50 + 12%	11,925
47,150	100,525	5,426.00 + 22%	47,150	48,475	103,350	5,578.50 + 22%	48,475
100,525	191,950	17,168.50 + 24%	100,525	103,350	197,300	17,651.00 + 24%	103,350
191,950	243,725	39,110.50 + 32%	191,950	197,300	250,525	40,199.00 + 32%	197,300
243,725	609,350	55,678.50 + 35%	243,725	250,525	626,350	57,231.00 + 35%	250,525
609,350		183,647.25 + 37%	609,350	626,350		188,769.75 + 37%	626,350
<b>Estates and Trusts:</b>				<b>Estates and Trusts:</b>			
\$0	\$3,100	\$0 + 10%	\$0	\$0	\$3,150	\$0 + 10%	\$0
3,100	11,150	310.00 + 24%	3,100	3,150	11,450	315.00 + 24%	3,150
11,150	15,200	2,242.00 + 35%	11,150	11,450	15,650	2,307.00 + 35%	11,450
15,200		3,659.50 + 37%	15,200	15,650		3,777.00 + 37%	15,650

## EDUCATION INCENTIVES

<b>Tuition Deduction</b> – “Above-the-line” deduction for qualified tuition and related expenses repealed for tax years after 2020.
<b>Student Loan Interest Deduction</b> – “Above-the-line” deduction up to \$2,500 (2024 and 2025); no time limit on deductibility period; subject to income limitations.
<b>Education Credits</b> – American Opportunity Credit is up to \$2,500 in 2024 and 2025 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid up to \$2,000 per return for 2024 and 2025. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.
<b>Section 529 Plans (Qualified Tuition Programs)</b> – Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$18,000 for 2024; \$19,000 for 2025). Donor can elect to treat up to \$90,000 of the contribution in 2024 (\$95,000 in 2025) as if it had been made ratably over a 5-year period.
<b>Coverdell Education Savings Accounts (Education IRAs)</b> – Contribution limit is \$2,000 in 2024 and 2025; subject to income limitations.

## OTHER TAX RATES

Long-Term Capital Gains and Qualified Dividends Tax Rates for Taxpayers with Taxable Income in the Specified Ranges*				
2024	0%	15%	20%	
MFJ/SS	\$0 - \$94,050	\$94,051 - \$583,750	over \$583,750	
MFS	\$0 - \$47,025	\$47,026 - \$291,850	over \$291,850	
HoH	\$0 - \$63,000	\$63,001 - \$551,350	over \$551,350	
Single	\$0 - \$47,025	\$47,026 - \$518,900	over \$518,900	
E&T	\$0 - \$3,150	\$3,151 - \$15,450	over \$15,450	
2025	0%	15%	20%	
MFJ/SS	\$0 - \$96,700	\$96,701 - \$600,050	over \$600,050	
MFS	\$0 - \$48,350	\$48,351 - \$300,000	over \$300,000	
HoH	\$0 - \$64,750	\$64,751 - \$566,700	over \$566,700	
Single	\$0 - \$48,350	\$48,351 - \$533,400	over \$533,400	
E&T	\$0 - \$3,250	\$3,251 - \$15,900	over \$15,900	

- Short-term gain taxed at ordinary rates.
- \* Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers).

## Kiddie Tax

- Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$13,000 in 2024 or \$13,500 in 2025 – use Form 8814 with parent's return.
- If child files own return – use Form 8615 with child's return to calculate tax at parent's marginal rate.

	2024	2025	
First	\$1,300	\$1,350	No Tax
Next	\$1,300	\$1,350	Taxed at child's marginal rate
Amount Over	\$2,600	\$2,700	Taxed at parent's marginal rate

## AMT Rates for Individuals

	AMTI Threshold		AMT Rate
	2024	2025	
Single, MFJ, HoH	\$0 - \$232,600	\$0 - \$239,100	26%
	\$232,601 or more	\$239,101 or more	28%
MFS	\$0 - \$116,300	\$0 - \$119,550	26%
	\$116,301 or more	\$119,551 or more	28%
	AMT Exemption		
	2024	2025	
Single, HoH	\$85,700	\$88,100	
MFJ, SS	\$133,300	\$137,000	
MFS	\$66,650	\$68,500	

## SOCIAL SECURITY

Maximum Compensation Subject to FICA		
	2024	2025
OASDI Maximum	\$168,600	\$176,100
HI Maximum	No Limit	No Limit
• OASDI tax rate – 2024 & 2025: 12.4% self-employed, 6.2% employees		
• HI tax rate* – 2024 & 2025: 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		
	2024	2025
Under full retirement age	\$22,320	\$23,400
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



## DEDUCTIONS

Standard Deduction			
	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2024	\$29,200	\$1,550
	2025	\$30,000	\$1,600
Married Filing Separately	2024	\$14,600	\$1,550
	2025	\$15,000	\$1,600
Head of Household	2024	\$21,900	\$1,950
	2025	\$22,500	\$2,000
Single	2024	\$14,600	\$1,950
	2025	\$15,000	\$2,000
Phaseout of Itemized Deductions Does Not Apply in 2024 or 2025			
Code Sec. 179 Expense Allowance			
	2024	2025	
Dollar limitation	\$1,220,000	\$1,250,000	
Investment limitation	\$3,050,000	\$3,130,000	
Qualified Business Income Deduction Phase-In Thresholds			
	Taxable Income Phase-In		
	2024	2025	
MFJ	\$383,900 - \$483,900	\$394,600 - \$494,600	
MFS	\$191,950 - \$241,950	\$197,300 - \$247,300	
All Others	\$191,950 - \$241,950	\$197,300 - \$247,300	

## ESTATE & GIFT TAXES

	2024	2025
Annual Gift Tax Exclusion	\$18,000	\$19,000
for Noncitizen Spouses	\$185,000	\$190,000
Estate Tax Exclusion	\$13,610,000	\$13,990,000
Applicable Credit	\$5,389,800	\$5,541,800
Gift Tax Exclusion	\$13,610,000	\$13,990,000
Generation-Skipping Transfer Tax Exemption	\$13,610,000	\$13,990,000

## CREDITS & EXCLUSIONS

Child Tax Credit		
	2024	2025
Credit Amount	\$2,000	\$2,000
Refundable Amount	\$1,700	\$1,700
\$2,000 credit amount for 2024 and 2025 phases out \$50 for every \$1,000 AGI over \$400,000 (MFJ), \$200,000 (all others)		
Foreign Income		
	2024	2025
Foreign earned income exclusion	\$126,500	\$130,000
Maximum foreign housing exclusion of qualified housing expenses	\$17,710 (\$37,950 - \$20,240)	\$18,200 (\$39,000 - \$20,800)

## INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:

- 90% of current tax,
- 100% of prior year's tax, or
- 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

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## IRAs

Contribution Limits - Traditional and Roth				
	2024	2025		
Regular	\$7,000	\$7,000		
Catch-up*	\$1,000	\$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		2024	2025	
Married Filing Jointly		\$230,000 - \$240,000	\$236,000 - \$246,000	
Single, Head of Household		\$146,000 - \$161,000	\$150,000 - \$165,000	
Married Filing Separately		\$0 - \$10,000	\$0 - \$10,000	
Traditional IRA Deductibility Rules				
Filing Status	Covered by Qualified Retirement Plan?	Modified AGI		Deductibility
		2024	2025	
Single, HoH	No	Any amount	Any amount	Full deduction
	Yes	\$77,000 or less	\$79,000 or less	Full deduction
		\$77,001 - \$86,999	\$79,001 - \$88,999	Partial deduction
		\$87,000 or more	\$89,000 or more	No deduction
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction
	Both spouses covered	\$123,000 or less	\$126,000 or less	Full deduction
		\$123,001 - \$142,999	\$126,001 - \$145,999	Partial deduction
		\$143,000 or more	\$146,000 or more	No deduction
	One spouse covered: for covered spouse	\$123,000 or less	\$126,000 or less	Full deduction
		\$123,001 - \$142,999	\$126,001 - \$145,999	Partial deduction
		\$143,000 or more	\$146,000 or more	No deduction
Married Filing Separately*	Neither spouse	\$230,000 or less	\$236,000 or less	Full deduction
		\$230,001 - \$239,999	\$236,001 - \$245,999	Partial deduction
		\$240,000 or more	\$246,000 or more	No deduction
Married Filing Separately*	Either spouse	\$9,999 or less	\$9,999 or less	Partial deduction
		\$10,000 or more	\$10,000 or more	No deduction

\*Shared residence

## QUALIFIED PLANS

	2024	2025
Maximum elective deferral to retirement plans [e.g., 401(k), 403(b), 457]	\$23,000	\$23,500
Maximum elective deferral to starter 401(k) plan	\$6,000	\$6,000
Maximum elective deferral to pension-linked emergency savings account	\$2,500	\$2,500
Maximum elective deferral to SIMPLE IRAs*	\$16,000	\$16,500
Maximum uniform non-elective contribution to SIMPLE plans	\$5,000	\$5,100
Limit on annual additions to defined contribution plans or SEPs	\$69,000	\$70,000
Maximum annual compensation taken into account for contributions	\$345,000	\$350,000
Annual benefit limit under defined benefit plans	\$275,000	\$280,000
Threshold amount for definition of highly compensated employee	\$155,000	\$160,000
Threshold amount for definition of key employee in top-heavy plans	\$220,000	\$230,000

### Catch-up Contribution Limits (age 50 or older)\*\*

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

\* The limitation for 2024 and 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.



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