



SEIDEL SCHROEDER

2025 YEAR-END TAX PLANNING GUIDE



For Businesses & Individuals

Where clarity meets strategy for a more tax-efficient future.

Introduction

This year brought the passage of the One Big Beautiful Bill Act (OBBBA), representing one of the most significant tax law overhauls in recent history. While some provisions took effect immediately, others will phase in over time. A notable benefit of OBBBA is the permanence of many provisions, providing a more stable environment for long-term planning. Coupled with Federal Reserve interest rate cuts and moderating inflation, tax planning remains essential for individuals and businesses looking to manage cash flow and reduce tax liabilities. As we approach year-end, now is an opportune time to review your projected 2025 and 2026 tax positions and identify opportunities to reduce, defer, or accelerate tax obligations.



Seminars sharing The One, Big, Beautiful Bill

The information contained in this guide is based on federal laws and policies in effect as of the publication date and focuses solely on U.S. federal income tax matters. State and foreign tax considerations may also apply and should be evaluated before finalizing your tax strategy. Because tax decisions rarely operate in isolation—and one change can affect several other areas. Taxpayers should consult a trusted advisor when evaluating any of the strategies discussed.

No guide can address every scenario, and this resource is not a substitute for personalized advice from the Seidel Schroeder team. Please contact us to discuss your specific tax planning needs.



TABLE OF CONTENTS

BUSINESS TAX CONSIDERATIONS.....	5
Capital Expenditure Options	5
Return of 100% Bonus Depreciation.....	5
Enhanced Section 179 Expensing.....	5
New Qualified Production Property	6
Planning Considerations.....	6
Return of 100% Section 174 Research and Experimental Expensing.....	6
Business Interest Expense Section - 163j	6
Other Planning Opportunity Provisions.....	6
Qualified Small Business Stock.....	6
Qualified Opportunity Zones (QOZs)	7
Traditional Year-End Strategies	7
INDIVIDUAL TAX CONSIDERATIONS	8
Tax Rates	8
Timing of Income and Deductions.....	8
Actions to Consider to Reduce or Defer Taxes	8
Current-year Actions to Consider that Could Reduce 2026 Taxes	9
Long-term Capital Gains.....	9
Net Investment Income Tax.....	9
Maximizing Deductions	9
Standard versus Itemized Deductions	9
Charitable Contributions	10
State & Local Taxes (SALT)	10
Long-term Care Insurance and Services.....	10
Green Energy	10
Additional Tax Deductions Introduced by OBBBA	11
Retirement Plan Contributions/Distributions.....	11
Section 529 Plans	12
Social Security Tax	12
Foreign Earned Income Exclusion.....	12
Alternative Minimum Tax	12
Kiddie Tax	12

Net Operating Losses and Excess Business Loss Limitation	12
Additional Year-End Strategies for Individuals	13
TRUSTS, ESTATES, AND GIFT CONSIDERATIONS	14
Annual Gift Exclusion	14
Estate Tax Exemption	14
Tax planning strategies may include to transfer wealth during your lifetime	14
Portability.....	14
Tax Charts and Limitations	15
2025 Federal Income Tax Rate Brackets	15
2026 Federal Income Tax Rate Brackets	15
2025 Long-Term Capital Gains Rate Brackets	15
2026 Long-Term Capital Gains Rate Brackets	15
Other Tax Amounts and Thresholds.....	16



BUSINESS TAX CONSIDERATIONS

Businesses face a myriad of challenges and must balance internal challenges with external ones such as tax legislation and tariff policies. OBBBA heralded significant provisions that include options for implementation, and options on one provision can affect others. Modeling techniques may be needed to help identify the most beneficial strategy. Lesser publicized changes exist and will impact tax planning. Many of you are organized as pass-through entities and must address a second layer of tax considerations at the owner level. While this year's tax legislation does not change the math on entity choice in profound ways, it does create new opportunities to structure business and investment activities tax efficiently.

With the multitude of challenges present today, the tax function must operate efficiently to identify tax risk and planning opportunities. Automation and other tools can help companies deploy the necessary resources to integrate tax considerations into critical business decisions. Additionally, Seidel Schroeder's team can assist by bringing innovative technology solutions directly to your organization. From tailored reporting tools that enhance visibility to robotic process automation that eliminate repetitive tasks, our goal is to simplify your day-to-day operations. We also offer custom application development to modernize and streamline your internal processes, ultimately freeing up valuable resources so you can concentrate on growing your business.

Capital Expenditure Options

Return of 100% Bonus Depreciation

The OBBBA permanently restores 100% bonus depreciation for most business property acquired and placed in service after January 19, 2025. Property is considered "acquired" no later than the date the taxpayer enters into a binding written contract for its acquisition. Eligible property includes tangible property with a class life of 20 years or less under tax depreciation methods, computer software, qualified improvement property, and other property listed in Section 168(k).

For property acquired on or before January 19, 2025, but placed in service afterward, the phasedown rules under the TCJA still apply, allowing only 40% bonus depreciation. Taxpayers may elect out of 100% bonus depreciation on a property-class basis and may instead apply the 40% rule or spread deductions over the asset's standard tax depreciation schedule.

Determining the property's acquisition date is critical to eligibility for 100% bonus depreciation. While some IRS guidance has been issued, further clarification is expected. Key factors include the contract date, when the contract becomes enforceable, the presence of any cancellation periods, and any contingency clauses.

Enhanced Section 179 Expensing

The OBBBA increases the annual Section 179 expensing limit to \$2.5 million (up from \$1 million) and raises the phaseout threshold to \$4 million (up from \$2.5 million). These changes apply to property placed in service after December 31, 2024, with both the deduction limit and phaseout threshold indexed for inflation in future years.

For taxpayers eligible for Section 179, the annual expensing election can be combined with bonus depreciation. This allows deductions for property ineligible for bonus depreciation or the option to expense only a portion of a property's cost.

New Qualified Production Property

In addition to the enhanced bonus depreciation and Section 179 expensing, the OBBBA introduces a new property category eligible for 100% expensing: **qualified production property**. Though narrowly defined, this category allows full first-year expensing for nonresidential real property used in manufacturing, providing significant upfront write-offs. Current strategies, such as cost segregation studies, may be useful for mixed-use properties to maximize the benefits of this provision.

Planning Considerations

Tax accounting methods offer a powerful tool for managing depreciation. The recovery period over which depreciation is claimed affects taxable income across multiple years. Taxpayers often have flexibility in determining the amount of depreciation to claim in the year assets are placed in service.

By utilizing the default 100% bonus depreciation, electing out for certain or all assets, or making other elections to slow depreciation, taxpayers can strategically manage taxable income to optimize tax outcomes and other related financial calculations.

Return of 100% Section 174 Research and Experimental Expensing

The OBBBA provides businesses with multiple options for both past and future research and experimental (R&E) expenses. For domestic R&E costs paid or incurred after December 31, 2024, taxpayers may:

- Claim 100% of the expense in the year incurred,
- Amortize the expense over the useful life of the property (not less than 60 months), or
- Amortize over 10 years.

Businesses may also benefit for prior years (2022, 2023, and 2024) by “catching up” on unamortized amounts. Depending on eligibility for certain small business elections, this catch-up can be achieved either by amending prior year returns or by taking additional deductions in 2025 or 2026. These multiple options allow business owners to strategically plan R&E deductions in a way that maximizes tax benefit or minimizes liability.

Software development continues to qualify as research costs; however, foreign R&E expenses must still be amortized over 15 years.

As previously noted, coordinating R&E expensing with depreciation decisions can create a complex planning scenario, particularly for flow-through entities, and careful analysis is required to optimize outcomes for both the business and its owners.

Business Interest Expense - Section 163j

The business interest limitation under IRC Section 163(j) restricts the amount of interest a company can deduct in a tax year. The OBBBA reinstates a calculation based on earnings before depreciation, amortization, and depletion (EBITDA) rather than after these items. This change allows capital-intensive businesses that rely on debt financing to claim larger interest deductions.

Other Planning Opportunity Provisions

Qualified Small Business Stock

The OBBBA enhances tax-efficient structuring for corporations through Qualified Small Business Stock (QSBS), which allows for tax-free gain upon disposition. Key changes include shorter holding periods and an increased percentage of gain eligible for exclusion. While the benefit applies at the individual level, it provides a powerful strategy for select businesses.

Date of Issuance	% of Eligible Gain Excluded	Limit - Greater of 10x Basis or	Limit of Gross Assets at Issuance	Required Holding Period
8/10/1993 - 2/18/2009	50%	\$10 M	< \$50 M	> 5 years
2/17/2009 - 9/28/2010	75%	\$10 M	< \$50 M	> 5 years
9/27/2010 - 7/5/2025	100%	\$10 M	< \$50 M	> 5 years
7/4/2025 onward	50%	\$15 M	< \$75 M	3 years
7/4/2025 onward	75%	\$15 M	< \$75 M	4 years
7/4/2025 onward	100%	\$15 M	< \$75 M	5+ years

Qualified Opportunity Zones (QOZs)

QOZs continue to offer the ability to defer capital gains, and the OBBBA preserves and enhances this opportunity. Current QOZ designations expire at the end of 2026, with new zones to be designated. New criteria are expected to shrink the number of qualifying zones; however, there will be rolling 10-year designation periods. A new QOZ category is also created for rural areas. Further guidance and updates are anticipated in 2026 and 2027.



Traditional Year-End Strategies

In addition to the above provisions, several established strategies remain effective for year-end planning:

- Timing deductions for employee bonuses and executive compensation
- Prepaying rent or suppliers under the cash method, or committing to contracts under the accrual method
- Reviewing inventory for potential write-offs



INDIVIDUAL TAX CONSIDERATIONS

Tax Rates

The OBBBA makes permanent the income tax rate schedules established under the Tax Cuts and Jobs Act (TCJA) and adjusts the cost-of-living adjustment (COLA). As a result, current tax brackets are locked in, and more favorable COLA adjustments will apply beginning in 2025. Individual and estate income tax brackets, including long-term capital gains rates, are provided at the end of this guide for reference.

Timing of Income and Deductions

Taxpayers should consider strategies to reduce their overall tax liability by shifting income or deductions between 2025 and 2026. Ideally:

- **Income** should be received in the year with the lower marginal tax rate.
- **Deductible expenses** should be paid in the year with the higher marginal tax rate.

If the marginal tax rates are the same in both years, deferring income from 2025 to 2026 provides a one-year tax deferral, while accelerating deductions from 2026 to 2025 can reduce 2025 taxable income.

The 2026 tax brackets reflect inflation adjustments, providing a slight advantage for deferring income into the new year. For example, the 24% bracket for married taxpayers filing jointly increases from \$206,701 in 2025 to \$211,401 in 2026. Deferring income may allow more earnings to remain in lower brackets, reducing overall tax liability. However, depending on your specific income and deductions, multiple tax items may interact in ways that pull in different directions.

Actions to Consider to Reduce or Defer Taxes

- Delay interest or dividend payments from closely held corporations to individual business-owner taxpayers.
- Shift investments to municipal bonds or investments that do not pay dividends to reduce taxable income in future years.
- Defer commission income by closing sales in early 2026 instead of late 2025.
- Delay the closing of capital gain transactions until after year-end or structure 2025 transactions as installment sales to defer gain.
- Trigger capital losses before year-end 2025 to offset capital gains (consult your financial advisor to avoid wash sales).
- Evaluate non-business bad debts to determine if they are worthless and should be recognized as short-term capital losses by year-end.
- Accelerate deductible expenses, including mortgage interest and charitable contributions (including donations of appreciated property) into 2025, subject to AGI limitations. Careful consideration is needed to consider OBBBA's impact to 2026 charitable limitations and overall itemized deductions reduction for some taxpayers.
- Accelerate state and local tax payments into 2025, with careful consideration of limitations and phaseouts under OBBBA.
- Accelerate residential clean energy expenditures set to expire December 31, 2025.

Current-year Actions to Consider that Could Reduce 2026 Taxes

Taxpayers expected to be in higher brackets in 2026 may benefit by moving taxable income from 2026 into 2025. Potential actions include:

- Accelerating interest or dividend payments from closely held corporations to individual business-owner taxpayers.
- Accelerating commission income by closing sales in 2025.
- Accelerating capital gains to 2025 or deferring capital losses until 2026.
- Electing out of the installment sale method for 2025 installment sales.
- Delaying charitable or state and local tax payments to maximize itemized deductions, while considering 2026 limitations and phaseouts that do not exist in 2025.

Long-term Capital Gains

The long-term capital gains rates for 2025 and 2026 are provided at the end of this guide for reference. These rates apply to the taxpayer's taxable income. *Capital gains may also be subject to the 3.8% net investment income tax.*

Long-term capital gains (and qualified dividends) are subject to a lower tax rate than other types of income. Investors should consider the following strategies when planning for capital gains:

- Hold capital assets for more than a year (or more than three years for assets attributable to carried interests) to qualify for the lower long-term capital gains rate.
- Defer capital gains by reinvesting proceeds in designated qualified opportunity zones (QOZs).
- Invest in and hold Qualified Small Business Stock (QSBS) for at least three years to garner a 50% exclusion, at least four years for a 75% exclusion, and at least five years for a 100% exclusion.
- Donate appreciated property to a qualified charity to avoid long-term capital gains tax (see the Charitable Contributions section and Charitable Contributions Guide for details).

Net Investment Income Tax (NIIT)

An additional 3.8% NIIT applies to net investment income above certain thresholds; however, NIIT does not apply to income derived in the ordinary course of a trade or business in which the taxpayer materially participates. Similarly, gain on the disposition of trade or business assets attributable to an activity in which the taxpayer materially participates is not subject to the NIIT.

Impacted taxpayers may wish to consider deferring net investment income for the year, in conjunction with other tax planning strategies that may be implemented to reduce income tax or capital gains tax.

Maximizing Deductions

Standard versus Itemized Deductions

For 2025, the inflation-adjusted standard deduction amounts are:

- \$31,500 for married taxpayers filing jointly
- \$23,625 for heads of households
- \$15,750 for all other filers

With these high standard deduction amounts, many taxpayers may achieve a lower tax liability without itemizing. However, if your total itemized deductions approach the standard deduction, a *bunching strategy* can be an effective way to maximize deductions. This involves accumulating charitable contributions, state and local income taxes (SALT), or medical expenses from two or more years into one tax year.

New elements of the tax law make bunching strategies more complex, particularly when considering:

- 2026 impacts of above-the-line charitable deductions for non-itemizers
- A 0.5% floor for charitable deductions
- A 35% maximum benefit limitation on overall itemized deductions
- A new temporary SALT cap beginning in 2025

Each taxpayer's situation is unique, so individualized analysis is required to develop the most effective strategy.

Charitable Contributions

Planning for charitable contributions in 2025 requires considering both current deductions and anticipated 2026 changes. While the law does not affect 2025 contributions, planning for 2026 is necessary. Key points include:

Deduction Type	Provision	Effective Date
Non-itemizers	Above-the-line deduction of up to \$1,000 (S) or \$2,000 (MFJ) for cash donations to qualified charities	2026
Itemizers	0.5% AGI floor reduction, coupled with overall percentage reduction in itemized deductions	2026

Seidel Schroeder has developed a 2025 [Charitable Contribution Guide](#) and [Qualified Charitable Distribution Guide](#) for your reference. Potential strategies include:

- Timing between 2025 and 2026.
- Creating and funding a private foundation, donor-advised fund, or charitable remainder trust.
- Donating appreciated property to a qualified charity to avoid long-term capital gains tax.

State & Local Taxes (SALT)

The OBBBA temporarily increased the SALT limit to \$40,000 (up from \$10,000); however, a phase-down to \$10,000 applies for high-income earners beginning at \$500,000.

Long-term Care Insurance and Services

Premiums paid for a qualified long-term care insurance policy are deductible as medical expenses. Deduction limits are age-based and apply per person:

Age	Deduction Limitation
40 or under	\$480
41 - 50	\$900
51 - 60	\$1,800
61 - 70	\$4,810
Over 70	\$6,020

Green Energy

The OBBBA set a new expiration date of December 31, 2025 for home energy credits. The Energy Efficiency Home Improvement Credit is equal to 30% of the qualified expenses, including doors, windows, other qualifying energy property, and a home energy audit. The Residential Clean Energy Credit is also available and equal to 30% of qualified expenses for installations such as solar cells, small wind turbines, and battery storage. Restrictions and limitations apply to both credits.

New and Used Vehicle Clean Credits also have an accelerated expiration date of September 30, 2025. If you made these purchases by the expiration date, you may qualify for a \$7,500 credit for the purchase of a new clean vehicle (subject to stringent requirements) or \$4,000 credit for the purchase of a used clean vehicle.

Additional Tax Deductions Introduced by OBBBA

The OBBBA introduced several temporary tax provisions for 2025 that may impact tax planning:

- **Qualified Tips Deduction** - Above-the-line deduction for eligible tipped workers, up to \$25,000 with phaseout beginning at \$150,000 (Single) and \$30,000 (MFJ).
- **Overtime Pay Deduction** - Above-the-line deduction for the premium portion of overtime pay, up to a maximum of \$12,500 annually per person (\$25,000 for MFJ) with phaseout beginning at \$150,000 (Single) and \$300,000 (MFJ).
- **Senior deduction** - Individuals aged 65 and older can claim a deduction up to \$6,000 per person (\$12,000 for married couples if both qualify) with a phaseout beginning at \$75,000 (Single) and \$150,000 (MFJ).
- **Auto Loan Interest deduction** - Above-the-line deduction for up to \$10,000 deduction for interest paid on a loan for a new, personal-use vehicle that was assembled in the U.S. with phaseouts beginning at \$100,000 (Single) and \$200,000 (MFJ).

Retirement Plan Contributions/Distributions

Maximizing Contributions:

- 401(k) and 403(b) plans: Elective contributions for 2025 are limited to \$23,500 (\$31,000 if age 50 or older and the plan allows catch-up contributions). For 2026, the limits increase to \$24,500 and \$32,500, respectively.
- Super Catch-Up Contributions: Effective January 1, 2025, participants aged 60-63 may contribute an additional \$11,250 in 2025 and 2026.

SECURE Act Provisions:

- Birth or Adoption Distributions: Penalty-free withdrawals up to \$5,000 per individual (up to \$10,000 for a married couple) from traditional IRAs or qualified retirement plans for qualifying expenses.
- IRA Contributions: Individuals may contribute to traditional IRAs in or after the year they turn 70½.
- Required Minimum Distributions (RMDs): SECURE 2.0 raised the age for RMDs to 73. For individuals who reached age 72 in 2024, the first 2025 RMD is due April 1, 2026. Deferring may result in two distributions in the same year, potentially increasing taxable income.
- Qualified Charitable Distributions (QCDs): Individuals age 70½ or older can donate up to \$108,000 in 2025 (\$111,000 in 2026) directly from a taxable IRA. QCDs count toward RMDs and are tax-free but ordering rules apply if cash RMDs are taken first.

Inherited Retirement Plans:

- Designated beneficiaries of decedents who died after December 31, 2019, generally must take inherited plan benefits over a 10-year period, except for certain eligible beneficiaries (surviving spouses, minor children, disabled or chronically ill individuals, and beneficiaries less than 10 years younger than the decedent).
- Under final Treasury regulations (July 2024), annual distributions are required for inherited plans after the decedent's required beginning date, whether subject to the 10-year rule or other exceptions.

Small Business Retirement Contributions:

- Employers may contribute the lesser of 25% of employees' salaries or an IRS-set annual maximum to a Simplified Employee Pension (SEP) plan.
- Maximum SEP contribution for 2025: \$70,000; for 2026: \$72,000.
- Self-employed individuals calculate the 25% limit based on net self-employment income after reducing income for the SEP contribution and other adjustments, such as self-employment taxes.

Section 529 Plans

The OBBBA provided greater flexibility beginning in 2026 including an increased annual withdrawal limit for K-12 expenses from \$10,000 to \$20,000 per student. An expanded list of qualified K-12 costs now includes books, tutoring, and standardized test fees along with eligibility for expenses related to workforce training, licensing, and certification programs for other beneficiaries.

Social Security Tax

The Old-Age, Survivors, and Disability Insurance (OASDI) program is funded through FICA taxes paid by both employees and employers. The OASDI rate for both employees and employers is 6.2% of the employee's gross pay but is imposed only on wages up to \$176,100 for 2025 and \$184,500 for 2026. Self-employed persons pay a similar tax, called SECA (or self-employment tax), based on 12.4% of the net income of their businesses.

Employers, employees, and self-employed persons also pay a tax for Medicare/Medicaid hospitalization insurance (HI), which is part of the FICA tax, but is not capped by the OASDI wage base. The HI payroll tax is 2.9%, which applies to earned income only. Self-employed persons pay the full amount, while employers and employees each pay 1.45%. An extra 0.9% Medicare (HI) payroll tax must be paid by individual taxpayers on earned income that is above certain AGI thresholds: \$200,000 for individuals, \$250,000 for married couples filing jointly, and \$125,000 for married couples filing separately. However, employers do not pay this extra tax.

Foreign Earned Income Exclusion

The foreign earned income exclusion is \$130,000 in 2025 and increases to \$132,900 in 2026.

Alternative Minimum Tax

A taxpayer must pay either the regular income tax or the alternative minimum tax (AMT), whichever is higher. The established AMT exemption amounts for 2025 are \$88,100 for unmarried individuals and individuals claiming head of household status, \$137,000 for married individuals filing jointly and surviving spouses, \$68,500 for married individuals filing separately, and \$30,700 for estates and trusts. The AMT exemption amounts for 2026 are \$90,100 for unmarried individuals and individuals claiming head of household status, \$140,200 for married individuals filing jointly and surviving spouses, \$70,100 for married individuals filing separately, and \$31,400 for estates and trusts.

Kiddie Tax

The unearned income of a child is taxed at the parents' tax rates if those rates are higher than the child's tax rate.

Net Operating Losses and Excess Business Loss Limitation

Net operating losses (NOLs) generated in 2025 are limited to 80% of taxable income and are not permitted to be carried back. Any unused NOLs are carried forward subject to the 80% of taxable income limitation in carryforward years.

A non-corporate taxpayer may deduct net business losses of up to \$313,000 (\$626,000 for joint filers) in 2025. A disallowed excess business loss (EBL) is treated as an NOL carryforward in the subsequent year, subject to the NOL rules. With the passage of the OBBBA, the EBL limitation has been made permanent.

Additional Year-End Strategies for Individuals

Consider these other tax-saving tactics before the end of the year:

- *Education Credits*: Subject to phaseouts, claim credits for tuition and certain qualified education expenses paid in 2025.
- *401(k) Contributions*: Increase pre-tax contributions to reduce AGI and maximize retirement savings; however, be sure to discuss with your investment advisor to align your retirement goals desired for post-tax Roth contributions.
- *IRA Contributions*: Eligible taxpayers can deduct contributions made up to April 15, 2026.
- *Teacher Expenses*: Above the line deduction up to \$300 per educator for unreimbursed classroom supplies.



TRUSTS, ESTATES, AND GIFT CONSIDERATIONS

Annual Gift Exclusion

For gifts made in 2025 and 2026, the annual gift tax exclusion is \$19,000. All outright gifts to a spouse who is a U.S. citizen are free of federal gift tax. However, for 2025 and 2026, only the first \$190,000 and \$194,000, respectively, of gifts to a non-U.S. citizen spouse are excluded from the total amount of taxable gifts for the year.

Estate Tax Exemption

For 2025, the unified estate and gift tax exemption and the generation-skipping transfer tax exemption is \$13.99 million per person. For 2026 the amount is \$15 million. Taxpayers may use the unified estate and gift tax exemption during life as a gift exemption, and the remaining amount applied at death as an estate exemption.

Tax planning strategies may include transferring wealth during your lifetime:

- Making annual exclusion gifts.
- Making larger gifts to the next generation, either outright or in trust.
- Creating a spousal lifetime access trust (SLAT) or a grantor retained annuity trust (GRAT) or selling assets to an intentionally defective grantor trust (IDGT).
- Consult with our Estate, Gift, and Trust Team to revisit your estate plan and goals to transfer wealth during your lifetime to avoid a top marginal rate of 40%.

Portability

The OBBBA preserves the portability election and enables a surviving spouse to utilize any unused portion of their deceased spouse's exemption.



Tax Charts and Limitations

2025 Federal Income Tax Rate Brackets

Rate	Joint / Surviving Spouse	Single	Head of Household	Married Filing Separately	Estates & Trusts
10%	\$0 - \$23,850	\$0 - \$11,925	\$0 - \$17,000	\$0 - \$11,925	\$0 - \$3,150
12%	\$23,851 - \$96,950	\$11,926 - \$48,475	\$17,001 - \$64,850	\$11,926 - \$48,475	-
22%	\$96,951 - \$206,700	\$48,476 - \$103,350	\$64,851 - \$103,350	\$48,476 - \$103,350	-
24%	\$206,701 - \$394,600	\$103,351 - \$197,300	\$103,351 - \$197,300	\$103,351 - \$197,300	\$3,151 - \$11,450
32%	\$394,601 - \$501,050	\$197,301 - \$250,525	\$197,301 - \$250,500	\$197,301 - \$250,525	-
35%	\$501,051 - \$751,600	\$250,526 - \$626,350	\$250,501 - \$626,350	\$250,526 - \$375,800	\$11,451 - \$15,650
37%	Over \$751,600	Over \$626,350	Over \$626,350	Over \$375,800	Over \$15,650

2026 Federal Income Tax Rate Brackets

Rate	Joint / Surviving Spouse	Single	Head of Household	Married Filing Separately	Estates & Trusts
10%	\$0 - \$24,000	\$0 - \$12,400	\$0 - \$17,700	\$0 - \$12,400	\$0 - \$3,300
12%	\$24,001 - \$100,800	\$12,401 - \$50,400	\$17,701 - \$67,450	\$12,401 - \$50,400	--
22%	\$100,801 - \$211,400	\$50,401 - \$105,700	\$67,451 - \$105,700	\$50,401 - \$105,700	--
24%	\$211,401 - \$403,550	\$105,701 - \$201,775	\$105,701 - \$201,775	\$105,701 - \$201,775	\$3,300 - \$11,700
32%	\$403,551 - \$512,450	\$201,776 - \$256,225	\$201,776 - \$256,200	\$201,776 - \$256,225	--
35%	\$512,451 - \$768,700	\$256,226 - \$640,600	\$256,201 - \$640,600	\$256,226 - \$384,350	\$11,701 - \$16,000
37%	Over \$768,700	Over \$640,600	Over \$640,600	Over \$384,350	Over \$16,000

2025 Long-Term Capital Gains Rate Brackets

Rate	Joint / Surviving Spouse	Single	Head of Household	Married Filing Separately	Estates & Trusts
0%	\$0 - \$96,700	\$0 - \$48,350	\$0 - \$64,750	\$0 - \$48,350	\$0 - \$3,250
15%	\$96,701 - \$600,050	\$48,351 - \$533,400	\$64,751 - \$566,700	\$48,351 - \$300,000	\$3,251 - \$15,900
20%	Over \$600,051	Over \$533,400	Over \$566,700	Over \$300,000	Over \$15,900

2026 Long-Term Capital Gains Rate Brackets

Rate	Joint / Surviving Spouse	Single	Head of Household	Married Filing Separately	Estates & Trusts
0%	\$0 - \$98,900	\$0 - \$49,450	\$0 - \$66,200	\$0 - \$49,450	\$0 - \$3,300
15%	\$98,901 - \$613,700	\$49,451 - \$545,500	\$66,201 - \$579,600	\$49,451 - \$306,850	\$3,301 - \$16,250
20%	Over \$613,700	Over \$545,500	Over \$579,600	Over \$306,850	Over \$16,250

Other Tax Amounts and Thresholds

	2025	2026
Bonus Depreciation Percentage	40% 1/1/25-1/19/25 100% after 1/19/25	100%
Section 179 Expensing Limit	\$2.5 million	\$2.56 million
Section 179 Investment Threshold	\$4 million	\$4.09 million
Threshold for Excess Business Loss	\$313,000 (S) \$626,000 (MFJ)	\$256,000 (S) \$512,000 (MFJ)
Standard Business Mileage Rate	70 cents per mile	TBD
Small Taxpayer Threshold for QBI	\$197,300 (S) \$394,600 (MFJ)	\$201,750 (S) \$403,500 (MFJ)
Social Security Wage Base Limit	\$176,100	\$184,500
1099-K Reporting	\$20,000 and > 200 transactions	\$20,000 and > 200 transactions
1099-MISC/NEC	\$600	\$2,000
Annual Gift Exclusion	\$19,000 (S) \$38,000 (MFJ)	\$19,000 (S) \$38,000 (MFJ)
Lifetime Gift/Estate Exclusion	\$13.99 million (S) \$27.98 million (MFJ)	\$15 million (S) \$30 million (MFJ)
Standard Deduction	\$15,750 (S), (MFS) \$23,625 (HOH) \$31,500 (MFJ)	\$16,100 (S), (MFS) \$24,150 (HOH) \$32,200 (MFJ)
Additional Standard Deduction 65+	\$2,000 (S), (HOH) \$1,600 (MFS), (MFJ per person)	\$2,050 (S), (HOH) \$1,650 (MFS), (MFJ per person)