

# 2025 | Federal Tax Key Facts and Figures

# **INCOME TAXES**

2024			
f Taxable Ir	ncome Is:		
	But Not More		Of the Amount
Over	Than	The Tax Is	Over
Married Fili			
\$0	\$23,200	\$0 + 10%	\$0
23,200	94,300	2,320.00 + 12%	23,200
94,300	201,050	10,852.00 + 22%	94,300
201,050	383,900	34,337.00 + 24%	201,050
383,900	487,450	78,221.00 + 32%	383,900
487,450	731,200	111,357.00 + 35%	487,450
731,200		196,669.50 + 37%	731,200
Married Fili	ng Separatel	y:	
\$0	\$11,600	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600
47,150	100,525	5,426.00 + 22%	47,150
100,525	191,950	17,168.50 + 24%	100,525
191,950	243,725	39,110.50 + 32%	191,950
243,725	365,600	55,678.50 + 35%	243,725
365,600		98,334.75 + 37%	365,600
Head of Ho	usehold:		
\$0	\$16,550	\$0 + 10%	\$0
16,550	63,100	1,655.00 + 12%	16,550
63,100	100,500	7,241.00 + 22%	63,100
100,500	191,950	15,469.00 + 24%	100,500
191,950	243,700	37,417.00 + 32%	191,950
243,700	609,350	53,977.00 + 35%	243,700
609,350		181,954.50 + 37%	609,350
Single:		101,70 1100 07 70	007,000
\$0	\$11,600	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600
47,150	100,525	5,426.00 + 22%	47,150
100,525	191,950	17,168.50 + 24%	100,525
		•	
191,950	243,725	39,110.50 + 32%	191,950
243,725	609,350	55,678.50 + 35%	243,725
609,350		183,647.25 + 37%	609,350
Estates and			
\$0	\$3,100	\$0 + 10%	\$0
3,100	11,150	310.00 + 24%	3,100
11,150	15,200	2,242.00 + 35%	11,150
15,200		3,659.50 + 37%	15,200

# **EDUCATION INCENTIVES**

Tuition Deduction - "Above-the-line" deduction for qualified tuition and related expenses repealed for tax years after 2020.

Student Loan Interest Deduction - "Above-the-line" deduction up to \$2,500 (2024 and 2025); no time limit on deductibility period; subject to income limitations.

Education Credits – 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

Section 529 Plans (Qualified Tuition Programs) - 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.

Coverdell Education Savings Accounts (Education IRAs) – 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	
НоН	\$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	
НоН	\$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

MFI. SS

MFS

	Al	AMT	
	2024	2025	Rate
Single, MFJ, HoH	\$0 - \$232,600	\$0 - \$239,100	26%
Single, MrJ, non	\$232,601 or more	\$239,101 or more	28%
MFS	\$0 - \$116,300	\$0 - \$119,550	26%
MFS	\$116,301 or more	\$119,551 or more	28%
AMT Exemption			
	2024	2025	
Single, HoH	\$85,700	\$88,100	

\$133,300

# 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	<b>50% Taxable</b> \$32,000	85% Taxable \$44,000

\$137,000

# **DEDUCTIONS**

Standard Deduction

	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/	2024	\$29,200	\$1,550
Surviving Spouse	2025	\$30,000	\$1,600
Married Filing	2024	\$14,600	\$1,550
Separately	2025	\$15,000	\$1,600
Head of	2024	\$21,900	\$1,950
Household	2025	\$22,500	\$2,000
Circal-	2024	\$14,600	\$1,950
Single	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 Inco	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:

- 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

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# **IRAs**

Contribution Limits - Traditional and Roth

	2024	2025		
Regular	\$7,000	\$7,000		
Catch-up*	\$1,000	\$1,000		
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\*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

	Modified AGI				
Filing Status	Covered by Qualified Retirement Plan?	2024	2025	Deductibility	
Single, HoH	No	Any amount	Any amount	Full deduction	
	Yes	\$77,000 or less \$77,001 - \$86,999 \$87,000 or more	\$79,000 or less \$79,001 - \$88,999 \$89,000 or more	Full deduction Partial deduction No deduction	
Married Filing Jointly	Neither spouse	Any amount	Any amount	Full deduction	
	Both spouses covered	\$123,000 or less \$123,001 - \$142,999 \$143,000 or more	\$126,000 or less \$126,001 - \$145,999 \$146,000 or more	Full deduction Partial deduction No deduction	
	One spouse covered: for covered spouse	\$123,000 or less \$123,001 - \$142,999 \$143,000 or more	\$126,000 or less \$126,001 - \$145,999 \$146,000 or more	Full deduction Partial deduction No deduction	
	One spouse covered: for non-covered spouse	\$230,000 or less \$230,001 - \$239,999 \$240,000 or more	\$236,000 or less \$236,001 - \$245,999 \$246,000 or more	Full deduction Partial deduction No deduction	
Married Filing Separately*	Neither spouse	Any amount	Any amount	Full deduction	
	Either spouse	\$9,999 or less	\$9,999 or less	Partial deduction	
		\$10,000 or more	\$10,000 or more	No deduction	

<sup>\*</sup>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.



<sup>\*\*</sup> 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.