

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

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 \$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 \$10,000 or more	\$9,999 or less \$10,000 or more	Partial deduction 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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