

## Ordinary Income - Tax Rates/Brackets

In general, the ordinary income tax rates/brackets apply to all income, unless an exemption applies. Ordinary income normally includes wages, income from self-employment, businesses, rental income, interest, ordinary dividends, and short-term capital gains (assets held for a year or less).

### Single Filers

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	\$0	\$11,925
12%	\$11,926	\$48,475
22%	\$48,476	\$103,350
24%	\$103,351	\$197,300
32%	\$197,301	\$250,525
35%	\$250,526	\$626,350
37%	\$626,351	No limit

### Head of Household

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	\$0	\$17,000
12%	\$17,001	\$64,850
22%	\$64,851	\$103,350
24%	\$103,351	\$197,300
32%	\$197,301	\$250,500
35%	\$250,501	\$626,350
37%	\$626,351	No limit

### Married Filing Jointly (and Surviving Spouse)

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	\$0	\$23,850
12%	\$23,851	\$96,950
22%	\$96,951	\$206,700
24%	\$206,701	\$394,600
32%	\$394,601	\$501,050
35%	\$501,051	\$751,600
37%	\$751,601	No limit

### Married Filing Separately

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	\$0	\$11,925
12%	\$11,926	\$48,475
22%	\$48,476	\$103,350
24%	\$103,351	\$197,300
32%	\$197,301	\$250,525
35%	\$250,526	\$375,800
37%	\$375,801	No limit

## Long-Term Capital Gains & Qualified Dividends - Tax Rates/Brackets

Long-term capital gains tax rates/brackets generally apply to investment assets held for over a year and to qualified dividends. Short-term capital gains (assets held for a year or less) are taxed at ordinary income tax rates, unrecaptured section 1250 gain (such as from depreciated real estate) are taxed up to a maximum rate of 25%, and collectibles (such as coins or art) are taxed up to a maximum rate of 28%. See [IRS Publication 550](#).

### Single Filers

Tax Rate	Taxable Income	
	From	To
0%	\$0	\$48,350
15%	\$48,351	\$533,400
20%	\$533,401	No limit

### Head of Household

Tax Rate	Taxable Income	
	From	To
0%	\$0	\$64,750
15%	\$64,751	\$566,700
20%	\$566,701	No limit

### Married Filing Jointly (and Surviving Spouse)

Tax Rate	Taxable Income	
	From	To
0%	\$0	\$96,700
15%	\$96,701	\$600,050
20%	\$600,051	No limit

### Married Filing Separately

Tax Rate	Taxable Income	
	From	To
0%	\$0	\$48,350
15%	\$48,351	\$300,000
20%	\$300,001	No limit

### 3.8% Net Investment Income Tax (NIIT)

Filing Status	Single or Head of Household	Married Filing Jointly (and Surviving Spouse)	Married Filing Separately
AGI Income Limit When 3.8% NIIT Takes Effect	\$200,000	\$250,000	\$125,000

### Kiddie Tax

This rule applies to unearned income (such as dividends, interest income, and capital gains) of dependent children under the age of 18 or to full-time students younger than 24, at the end of the tax year. Under this rule:

- The first \$1,350 of unearned income is not taxed because it's covered by the kiddie tax standard deduction.
- The next \$1,350 of unearned income is taxed at the child's marginal tax rate.
- Anything above \$2,700 is taxed at the parents' marginal tax rate.

## Tax Deductions & Credits (that do not require you to itemize)

Tax deductions reduce your taxable income dollar for dollar, whereas tax credits reduce your tax liability dollar for dollar. Generally, tax credits offer larger tax benefits for those in the lower tax brackets, and tax deductions provide larger tax benefits for those in the higher tax brackets.

### Standard Deduction

Filing Status	Deduction Limit
Single & Married Filing Separately	\$15,750
Married Filing Jointly (and Surviving Spouse)	\$31,500
Head of Household	\$23,625
Kiddie tax limited standard deduction	\$1,350

### Additional Standard Deduction

Filing Status	Deduction Limit
Blind, or age 65 or older	Add \$1,600 per person
Blind, or age 65 or older, must be unmarried	Add \$2,000

### Tax Credits

Child Tax Credit	Amount
For child under the age of 17 (phaseout starts at \$400,000 for joint filers, \$200,000 for single filers)	\$2,200
Lifetime Learning Tax Credit	
Qualified education expenses (phaseout starts at \$160,000 for joint filers, \$80,000 for all other filers)	\$2,000
American Opportunity Tax Credit	
Qualified education expenses (phaseout starts at \$160,000 for joint filers, \$80,000 for all other filers)	\$2,500

### Other Tax Deductions

Temporary Senior Deduction	Amount
For tax years 2025 to 2028, age 65 or older (phaseout starts at \$75,000 for single filer, \$150,000 for joint filer)	\$6,000 per person
Student Loan Interest Deduction	
Interest on qualified education loans (phaseout starts at \$170,000 for joint filers, \$85,000 for all other filers)	\$2,500
Educator Expense Deduction	
Certain unreimbursed educator expenses	\$300
Health Savings Account (HSA)	
Must have coverage under a qualifying high-deductible health plan (age 55 or over can contribute an extra \$1,000)	Up to \$4,300 for self, Up to \$8,550 for family
Tip Income Deduction	
For tax years 2025 to 2028, phaseout starts at \$150,000 for single filers or \$300,000 for joint filers	Up to \$25,000
Overtime Income Deduction	
For tax years 2025 to 2028, phaseout starts at \$150,000 for single filers or \$300,000 for joint filers	Up to \$12,500 for single filer, \$25,000 for joint filers
Auto Loan Interest Deduction	
For tax years 2025 to 2028, phaseout starts at \$100,000 for single filers or \$200,000 for joint filers	Up to \$10,000

## Itemized Deduction Limits

In general, if your itemized deductions are larger than the standard deduction, it's better to itemize on your tax return. If you itemize, you must have documentation to support every deduction claimed. See the instructions to the [Schedule A](#) for details on deductions and limits.

Deduction	Limit
Medical and dental expenses	7.5% of AGI
For tax years 2025 to 2029, taxes you paid (state, local, property, sales, etc.), phaseout starts at \$500,000	\$40,000, but no lower than \$10,000
Mortgage interest and points:	
Mortgage on or after 12/16/2017	\$750,000
Mortgage before 12/16/2017	\$1,000,000

Deduction	Limit
Charitable donations	Various limitations apply, see <a href="#">Pub 526</a>
Overall limit	50% of AGI
Cash donations	60% of AGI
Appreciated assets held long term	30% of AGI

## Retirement Plan Contribution Limits

### Employer-Sponsored Plans

Type	Limit
Overall limit for employer-sponsored defined contribution plans (does not include 457(b) plans)	\$70,000
401(k), Roth 401(k), 403(b), 457(b) plans; employee elective deferral limit	\$23,500
Catch-up contribution limit for age 50 and over for 401(k) and Roth 401(k) (special catch-up limits may also apply to 403(b) and 457(b) plans)	\$7,500 age 50 to 59 and age 64 or older, \$11,250 age 60 to 63
SIMPLE IRA and SIMPLE 401(k) plans; employee elective deferral limit	\$16,500
Catch-up contribution limit for age 50 or over for SIMPLE plans	\$3,500 age 50 to 59 and age 64 or older, \$5,250 age 60 to 63
SEP IRA plans: only employer contributions are allowed	Lesser of \$70,000 or 25% of wages (20% for owners)
Catch-up contribution limit for age 50 and over for SEP IRA plans	Not allowed

### Traditional IRAs & Roth IRAs

Type	Limit
Traditional IRA	\$7,000
Catch-up contribution for age 50 and over	\$1,000
Phaseout for those covered by an employer-sponsored plan	
• Single	\$79,000 to \$89,000
• Married filing separately	\$0 to \$10,000
• Married filing jointly	\$126,000 to \$146,000
• Married filing jointly, you are not covered but your spouse is	\$236,000 to \$246,000
Roth IRA	\$7,000
Catch-up contribution for age 50 or over	\$1,000
Roth IRA income phaseout	
• Single	\$150,000 to \$165,000
• Married filing jointly	\$236,000 to \$246,000

## Gift, Trust & Estate - Tax Rates/Brackets & Limits

### Trust & Estate Ordinary Income Tax Rates & Brackets

Tax Rate	Taxable Income	
	From	To
0%	Standard or Itemized Deduction Amount	
10%	\$0	\$3,150
24%	\$3,151	\$11,450
35%	\$11,451	\$15,650
37%	\$15,651	No limit

### Annual & Lifetime Gifting Limits

Type	Limit
Maximum estate & gift tax rate	40%
Annual gift tax exclusion	\$19,000
Unified gift & estate tax exemption (Note: This amount also covers the generation-skipping tax)	\$13,990,000 per person
Annual exclusion for gifts to noncitizen spouse	\$190,000

## Social Security

### Social Security Rules and Limits

Type	Amount
Social Security wage base	\$176,100
FICA tax rate for employee	7.65%
SECA tax rate for self employed	15.3%
Social Security earnings limits prior to full retirement age (FRA)	
Younger than FRA	\$23,400
The year you reach FRA	\$62,160
Social Security benefits cost-of-living adjustment	2.5%
Maximum possible benefit at FRA	\$4,018
Estimated average monthly benefit	\$1,976

**Taxation of Social Security benefits** is based on combined income (adjusted gross income without Social Security, plus tax-exempt interest, plus half of your Social Security benefits)

Single, head of household, & widower combined income of	Taxable Portion
\$25,000 or less	0%
\$25,001 and \$34,000	Up to 50%
More than \$34,000	Up to 85%
Married filing jointly combined income of	Taxable Portion
\$32,000 or less	0%
\$32,001 and \$44,000	Up to 50%
More than \$44,000	Up to 85%

### Social Security Full Retirement Age

Year of Birth	1943–54	1955	1956	1957	1958	1959	1960 and later
Social Security FRA	66	66 and 2 months	66 and 4 months	66 and 6 months	66 and 8 months	66 and 10 months	67

## Medicare

Monthly Premium	
Part A for those with <30 quarters of coverage	\$518
Part A for those with 30–39 quarters	\$285
Part B	\$185
Part A	
First 60 days—patient pays a deductible	\$1,676
Next 30 days—patient pays per day	\$419
Additional 60 lifetime reserve days (patient pays per day)	\$838
After all lifetime reserve days are used, patient pays all costs.	

Part B	
Deductible	\$257
Coinsurance	20%
Part D (Prescription Drug Plan)	
Deductible	\$590
25% coinsurance on next	\$2,000
Out-of-pocket (OOP) threshold (new for 2025)	\$2,000
Beneficiary then pays coinsurance amount for additional covered expenses.	

Medicare Part B & D Income-Related Monthly Adjustment Amount (IRMAA)			
You Pay		If Your 2023 MAGI Was	
Premium	Part D Surcharge	Single	Married
\$185.00	Plan premium +	\$106,000 or less	\$212,000 or less
\$259.00	\$13.70	\$106,001 to \$133,000	\$212,001 to \$266,000
\$370.00	\$35.30	\$133,001 to \$167,000	\$266,001 to \$334,000
\$480.90	\$57.00	\$167,001 to \$200,000	\$334,001 to \$400,000
\$591.90	\$78.60	\$200,001 to \$499,999	\$400,001 to \$749,999
\$628.90	\$85.80	\$500,000 or more	\$750,000 or more

Source: This document is a summary of information found at the Internal Revenue Service (IRS) [website](#), Revenue Procedure [2024-40](#), IRS Notice [2024-80](#), IRS [Topic no. 751](#), [2025 Medicare fact sheet](#), and other government sources. This document was updated in July 2025 to reflect changes per the One Big Beautiful Bill Act.

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SCFR 0725-J02L

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