

# 2025 TAX POCKET TABLES

— Comprehensive Edition —



**TABLES • RATES • GRAPHS • CHARTS**

**Your Firm's Name,  
Logo, and Contact  
Information Here**

**Use the inside covers to tell your clients about your firm's partners and key people.**

## **ABOUT OUR FIRM**



### **Founding Partner - Dagny Taggart, MBA, CPA**

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### **Founding Partner - Henry Rearden, CPA, JD**

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### **Peter Keating - Senior Accountant**

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### **Gail Wynand - Tax Coordinator**

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### **Francisco d'Anconia - Senior Accountant**

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## HOW THIS REFERENCE TOOL CAN HELP YOU:

Each year, all the federal income tax brackets — the window of income where a certain tax rate ends and begins — are updated to reflect the current rate of inflation. These tweaks, formally known as inflation adjustments, are a critical part of the tax code.

### **Tax inflation adjustment example**

In 2024, a single filer making \$48,000 of taxable income pays a 10% tax rate on \$11,600 of their earnings, a 12% tax rate on the portion of the earnings between \$11,601 and \$47,150, and a 22% tax rate on the remaining \$850 that falls into that final tax bracket.

Assuming this taxpayer's income does not change in 2025, they will now pay 10% on earnings up to \$11,925 and 12% on the rest. In other words, they will no longer pay 22% on any part of their income. This is because the upper end of the 12% tax bracket has been updated from \$47,150 to \$48,475, which allows this taxpayer to shelter more of their income from a higher tax rate.

### **What is a marginal tax rate?**

The marginal tax rate is the tax rate paid on the last dollar of taxable income. It typically equates to your highest tax bracket.

### **How to reduce taxes owed**

Two common ways of reducing your tax bill are credits and deductions.

Tax credits can reduce your tax bill on a dollar-for-dollar basis; they don't affect what bracket you're in.

Tax deductions, on the other hand, reduce how much of your income is subject to taxes. Generally, deductions lower your taxable income by the percentage of your highest federal income tax bracket. So, if you fall into the 22% tax bracket, a \$1,000 deduction could save you \$220.

## 2025 INDIVIDUAL INCOME TAX RATES\*

### Married Filing Jointly or Qualifying Widow (Widower)

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 23,850	.....10%	\$ 0
\$ 23,850 – \$ 96,950	\$ 2,385 + 12%	\$ 23,850
\$ 96,950 – \$ 206,700	\$ 11,157 + 22%	\$ 96,950
\$ 206,700 – \$ 394,600	\$ 35,302 + 24%	\$ 206,700
\$ 394,600 – \$ 501,050	\$ 80,398 + 32%	\$ 394,600
\$ 501,050 – \$ 751,600	\$ 114,462 + 35%	\$ 501,050
\$ 751,600 and above	\$ 202,154 + 37%	\$ 751,600

### Married Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,925	.....10%	\$ 0
\$ 11,925 – \$ 48,475	\$ 1,192 + 12%	\$ 11,925
\$ 48,475 – \$ 103,350	\$ 5,578 + 22%	\$ 48,475
\$ 103,350 – \$ 197,300	\$ 17,650 + 24%	\$ 103,350
\$ 197,300 – \$ 250,525	\$ 40,198 + 32%	\$ 197,300
\$ 250,525 – \$ 375,800	\$ 57,230 + 35%	\$ 250,525
\$ 375,800 and above	\$ 101,074 + 37%	\$ 375,800

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,925	.....10%	\$ 0
\$ 11,925 – \$ 48,475	\$ 1,192 + 12%	\$ 11,925
\$ 48,475 – \$ 103,350	\$ 5,578 + 22%	\$ 48,475
\$ 103,350 – \$ 197,300	\$ 17,650 + 24%	\$ 103,350
\$ 197,300 – \$ 250,525	\$ 40,198 + 32%	\$ 197,300
\$ 250,525 – \$ 626,350	\$ 57,230 + 35%	\$ 250,525
\$ 626,350 and above	\$ 188,418 + 37%	\$ 626,350

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 17,000	.....10%	\$ 0
\$ 17,000 – \$ 64,850	\$ 1,700 + 12%	\$ 17,000
\$ 64,850 – \$ 103,350	\$ 7,442 + 22%	\$ 64,850
\$ 103,350 – \$ 197,300	\$ 15,912 + 24%	\$ 103,350
\$ 197,300 – \$ 250,500	\$ 38,460 + 32%	\$ 197,300
\$ 250,500 – \$ 626,350	\$ 55,503 + 35%	\$ 250,500
\$ 626,350 and above	\$ 187,029 + 37%	\$ 626,350

The 2025 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

## FILING STATUS STANDARD DEDUCTION

	2025	2024
Single; Married Filing Separately	\$15,000	\$14,600
Married Filing Jointly; Surviving Spouse	\$30,000	\$29,200
Head of Household	\$22,500	\$21,900

If you're at least 65 years old or blind, you can claim an additional standard deduction of \$1,600 in 2025 (\$2,000 if you're claiming the single or head of household filing status).

If you're both 65 or older and blind, the additional deduction amount is DOUBLED.

## 2024 INDIVIDUAL INCOME TAX RATES\*

### Married Filing Jointly or Qualifying Widow (Widower)

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 23,200	.....10%	\$ 0
\$ 23,200 – \$ 94,300	\$ 2,320 + 12%	\$ 23,200
\$ 94,300 – \$ 201,050	\$ 10,852 + 22%	\$ 94,300
\$ 201,050 – \$ 383,900	\$ 34,227 + 24%	\$ 201,050
\$ 383,900 – \$ 487,450	\$ 78,221 + 32%	\$ 383,900
\$ 487,450 – \$ 731,200	\$ 111,357 + 35%	\$ 487,450
\$ 731,200 and above	\$ 196,669 + 37%	\$ 731,200

### Married Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,600	.....10%	\$ 0
\$ 11,600 – \$ 47,150	\$ 1,160 + 12%	\$ 11,600
\$ 47,150 – \$ 100,525	\$ 5,426 + 22%	\$ 47,150
\$ 100,525 – \$ 191,950	\$ 17,168 + 24%	\$ 100,525
\$ 191,950 – \$ 243,725	\$ 39,110 + 32%	\$ 191,950
\$ 243,725 – \$ 365,600	\$ 55,678 + 35%	\$ 243,725
\$ 365,600 and above	\$ 98,334 + 37%	\$ 365,600

### Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,600	.....10%	\$ 0
\$ 11,600 – \$ 47,150	\$ 1,160 + 12%	\$ 11,600
\$ 47,150 – \$ 100,525	\$ 5,426 + 22%	\$ 47,150
\$ 100,525 – \$ 191,950	\$ 17,168 + 24%	\$ 100,525
\$ 191,950 – \$ 243,725	\$ 39,110 + 32%	\$ 191,950
\$ 243,725 – \$ 609,350	\$ 55,678 + 35%	\$ 243,725
\$ 609,350 and above	\$ 183,647 + 37%	\$ 609,350

### Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 16,550	.....10%	\$ 0
\$ 16,550 – \$ 63,100	\$ 1,655 + 12%	\$ 16,550
\$ 63,100 – \$ 100,500	\$ 7,241 + 22%	\$ 63,100
\$ 100,500 – \$ 191,950	\$ 15,469 + 24%	\$ 100,500
\$ 191,950 – \$ 243,700	\$ 37,417 + 32%	\$ 191,950
\$ 243,700 – \$ 609,350	\$ 53,977 + 35%	\$ 243,700
\$ 609,350 and above	\$ 181,954 + 37%	\$ 609,350

The 2024 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

## PERSONAL EXEMPTIONS

	2018-2025	2017
Deduction for each taxpayer, spouse, and dependent *	\$0	\$ 4,050
There is an AGI phaseout beginning at:		
Married, filing jointly	\$0	\$ 313,800
Married, filing separately	\$0	\$ 156,900
Single	\$0	\$ 261,500
Head of household	\$0	\$ 287,650

\* There are no personal exemption amounts for 2018 through 2025.

## 2025 ALTERNATIVE MINIMUM TAX

The Alternative Minimum Tax (AMT) was created in the 1960s to prevent high-income taxpayers from avoiding the individual income tax. This parallel tax income system requires high-income taxpayers to calculate their tax bill twice: once under the ordinary income tax system and again under the AMT. The taxpayer then needs to pay the higher of the two.

The AMT uses an alternative definition of taxable income called Alternative Minimum Taxable Income (AMTI). To prevent low- and middle-income taxpayers from being subject to the AMT, taxpayers are allowed to exempt a significant amount of their income from AMTI. However, this exemption phases out for high-income taxpayers. The AMT is levied at two rates: 26 percent and 28 percent.

### Tax Brackets - 2025

AMT Income	Tax
Up to \$239,100*	26%
Over \$239,101	28%

\*\$119,550 if married filing separately

### AMT Exemption - 2025

	Exemption	Phased out on excess over
Married filing joint and surviving spouse	\$137,000	\$1,252,700
Unmarried individual	\$ 88,100	\$ 626,350
Married filing separately	\$ 68,650	\$ 626,350
Estates & Trusts	\$ 30,700	

## CAPITAL GAINS • LOSSES • DIVIDENDS

The taxation of dividends and capital gains is one of the most controversial issues in public finance. Corporations must pay corporate income taxes on profits before they distribute dividends to shareholders, and shareholders pay an additional, individual-level tax on those amounts. Imposing two layers of taxation on corporate income can result in a total tax rate on capital income from corporations that is substantially higher than the rate on other types of income.

### Long-term capital gain rate (longer than one year)

	0%	15%	20%
Single	\$0 - \$48,350	\$ 48,351- \$533,400	\$533,400+
Married filing jointly and surviving spouse	\$0 - \$96,700	\$ 96,701- \$600,050	\$600,050+
Head of household	\$0 - \$64,750	\$ 64,751- \$566,700	\$566,700+
Married filing separately	\$0 - \$48,350	\$ 48,351- \$300,000	\$300,000+
Trusts and estates	\$0 - \$ 3,250	\$ 3,251- \$ 15,650	\$ 15,651+

Short-term capital gains are taxed as ordinary income according to federal income tax brackets.

### Short-term capital gain rate (one year or less)

Taxed at ordinary income tax rate.

Dividends

Qualified dividends are taxed at the long-term capital gain rates. Nonqualified dividends are taxed at ordinary income tax rates.

Higher rates apply to collectibles and unrecaptured §1250 gain.

## IRA REQUIRED MINIMUM DISTRIBUTION TABLE

**B**ased on the new SECURE Act 2.0 (Setting Every Community up for Retirement Enhancement) changes, you must take out your first RMD (Required Minimum Distribution) by April 1 of the year after you turn age 73. For all subsequent years, you must take the money out of your accounts by December 31.

Here is the RMD table to 120 years old, based on data from the IRS:

Age	Distribution Period	Age	Distribution Period
72	27.4	97	7.8
73	26.5	98	7.3
74	25.5	99	6.8
75	24.6	100	6.4
76	23.7	101	6.0
77	22.9	102	5.6
78	22.0	103	5.2
79	21.1	104	4.9
80	20.2	105	4.6
81	19.4	106	4.3
82	18.5	107	4.1
83	17.7	108	3.9
84	16.8	109	3.7
85	16.0	110	3.5
86	15.2	111	3.4
87	14.4	112	3.3
88	13.7	113	3.1
89	12.9	114	3.0
90	12.2	115	2.9
91	11.5	116	2.8
92	10.8	117	2.7
93	10.1	118	2.5
94	9.5	119	2.3
95	8.9	120	2.0
96	8.4		



# USE THIS WORKSHEET TO CALCULATE YOUR RMD

**Y**ou can easily figure out how much you need to take out based on the RMD table. Here's how to do the calculation:

1. Determine the balance of your IRA account(s).
2. Find your age on the table on P.6 and note the distribution period number.
3. Divide the total balance(s) of your account by the distribution period.

This is your RMD.

## EXAMPLE

You are 77 years old and the balance of your IRA account is \$650,000:

Balance \$650,000

Distribution period  
for Age 78 22.0

*(use chart on page 6)*

## SAMPLE CALCULATION FOR REQUIRED MINIMUM DISTRIBUTION

Balance divided by distribution period

\$650,000 divided by 22.0 = \$29,545.45

This amount is the RMD you would have to withdraw for that year.

## CALCULATE YOUR RMD HERE

Your IRA Balance \$ \_\_\_\_\_

Distribution period  
for your Age ÷ \_\_\_\_\_  
*(use chart on page 6)*

RMD  
*Balance divided by  
distribution period* \$ \_\_\_\_\_

## SECURE ACT 2.0 - 2025 CHANGES

The SECURE 2.0 Act requires NEW defined contribution plans to include provisions that would automatically enroll employees once eligible. The initial automatic savings rate must be at least 3% but no more than 10%.

1. Starting January 1, 2025, the savings rate for retirement plans must automatically increase by 1% each year. This increase will continue annually until the savings rate reaches a minimum of 10% but will not exceed 15%.

2. Ensure your retirement plan documents are updated to reflect this automatic annual increase.

3. Employees may elect out of saving at any point. The overall goal of this provision is to increase participation by requiring employees to opt out instead of opt in.

4. Automatic Enrollment: SECURE 2.0 now mandates automatic enrollment in 401(k) and 403(b) plans established after December 29, 2022, with grandfathering rules for plans adopted before that date.

5. Extended Amendment Deadlines: The deadlines for adopting plan amendments under SECURE 2.0 have been extended by an additional year, with new deadlines ranging from December 31, 2026, for most nongovernmental plans to December 31, 2029, for governmental plans.

6. With the creation of the new "Starter K", employees can contribute a maximum of \$6,000, with a \$1,000 catch-up for those 50 or over. Due to the deferral limit decrease, employers do not have to worry about annual top-heavy testing. In other words, smaller businesses that have not been able to provide a 401(k) for employees can now offer this Starter K plan.

7. As for the catch-up contribution limit, starting in 2025, for ages 60-63 it will increase to the greater of \$10,000 or 150% of the 2024 catch up limit (\$11,250). The Roth requirement does not apply to 2025 catch up contributions. The only exception is if the employee earns \$145,000 or less every year.

8. Additionally, the required minimum distribution (RMD) age has been increased to 73; and in 2033 the age will increase to 75 years old.

# RETIREMENT ACCOUNTS

## Pretax 401(k), 403(b), 457; Roth 401(k) or 403(b)

Employee maximum  
deferral contributions

\$23,500

Catch-up contribution  
(if age 50 or older)

\$7,500

Combined limit for Roth 401(k) or Roth 403(b) and pretax traditional 401(k) or pretax 403(b) deferral contributions is \$20,500 for those younger than 50.

## Traditional and Roth IRA

Maximum contribution

\$7,000

Catch-up contribution  
(if age 50 or older)

\$1,000

Contributions must be made no later than the tax-filing deadline, regardless of tax extensions.

If your age is 60 through 63 by December 31, 2025, you have a higher catch up limit in 2025. That will be \$10,000 in 2025.

## Traditional IRA deductibility limits

If neither individual nor spouse is a participant in another plan: \$7,000\* maximum deduction

If the individual is an active participant in another plan:

Married/joint MAGI<sup>1</sup>

Single MAGI<sup>1</sup>

Deduction

Up to \$126,000

Up to \$79,000

Full Deduction\*

\$126,000 - \$146,000

\$79,000 - \$89,000

Partial Deduction

Over \$146,000

Over \$89,000

No Deduction

\* If a spouse (working or nonworking) is not covered by a retirement plan but his or her spouse is covered, the spouse who is not covered is allowed full deductibility up to \$246,000 joint MAGI, phased out at \$246,000 joint MAGI.

<sup>1</sup> Modified adjusted gross income.

<sup>2</sup> Maximum deduction is \$8,000 if age 50 or older.

Note: Phaseout for married filing separately is \$0-\$10,000.

## Roth IRA qualifications

- Contribution amount is limited if modified adjusted gross income (MAGI) is between:
  - \$150,000 and \$165,000 for individual returns\*
  - \$236,000 and \$246,000 for married/joint filers
- Cannot contribute if MAGI exceeds limits.
- Contributions are not deductible.

\* Includes single filers, head of household, and married filing separately if you did not live with your spouse at any time during the year.

## RETIREMENT PLAN LIMITS

Maximum elective deferral to SIMPLE IRA and SIMPLE 401(k) plans	\$ 16,500
Catch-up contribution for SIMPLE IRA and SIMPLE 401(k) plans (if age 50 or older)	\$ 3,500
Maximum annual defined contribution plan limit	\$ 70,000
Maximum compensation for calculating qualified plan contributions	\$350,000
Maximum annual defined benefit limit	\$280,000
Threshold for highly compensated employee	\$160,000
Threshold for key employee in top-heavy plans	\$230,000
Maximum SEP contribution is lesser of limit or 25% of the first \$350,000	\$ 70,000

## LONG-TERM CARE INSURANCE

You may deduct this much of your annual premiums

If your age is	2025	2024
Over 70	\$ 6,020	\$ 5,880
61 to 70	\$ 4,810	\$ 4,710
51 to 60	\$ 1,800	\$ 1,760
41 to 50	\$ 900	\$ 880
40 and under	\$ 480	\$ 470

## HEALTH SAVINGS ACCOUNT (HSA) LIMITS

2025		2024	
<b>Maximum deductible amounts</b>			
<b>Single</b>	<b>Family</b>	<b>Single</b>	<b>Family</b>
\$4,300	\$8,550	\$4,150	\$8,300
<i>\$1,000 catch-up contribution allowed per individual age 55 or older</i>			
<b>Minimum health insurance plan deductible</b>			
<b>Single</b>	<b>Family</b>	<b>Single</b>	<b>Family</b>
\$1,650	\$3,300	\$1,600	\$3,200
<b>Maximum out-of-pocket expenses</b>			
<b>Single</b>	<b>Family</b>	<b>Single</b>	<b>Family</b>
\$8,300	\$16,600	\$8,050	\$16,100

# ESTATE AND GIFT TAXATION

## Gift tax annual exclusion

**\$19,000**

An individual can give up to \$19,000 per person per year to any number of beneficiaries (family or non-family) without paying gift tax or “using up” any available applicable exclusion amount.

## Estate and gift tax—basic exclusion

**\$13,990,000 per person**

**\$27,980,000 for married couples**

Estate or gift taxes apply to the extent that your cumulative transfers (lifetime exclusion gifts plus the taxable estate at death) exceed your applicable exclusion.

Your applicable exclusion consists of your \$13,990,000 (\$27,980,000 for married couples) basic exclusion plus any “unused” exclusion received from a spouse who predeceased you.

Portability: The election to transfer unused exclusion to a surviving spouse is made by filing an estate tax return. The filing deadline is 9 months after death for taxable estates, or 2 years after death if a return is filed solely to elect portability. (Election is only available if the first spouse died after 12/31/2010.)

## Generation-skipping transfer (GST) tax exemption

**\$13,990,000**

## Estate, gift, and GST tax rate

**40%**

Applies to transfers in excess of the applicable exclusion/GST exemption.

# FEDERAL TRUST AND ESTATE INCOME TAX

If taxable income is:	The tax is:
\$ 0 - \$ 3,150	10% of the taxable income
\$ 3,151 - \$11,450	\$ 315 + 24% of excess over \$ 3,150
\$11,451 - \$15,650	\$2,307 + 35% of excess over \$11,450
\$15,651 - or more	\$3,861 + 37% of excess over \$15,650

## EDUCATION SAVINGS ACCOUNTS (ESA)

- Maximum nondeductible contribution is \$2,000 per child, per year.
- Maximum contribution amount is lowered if a contributor's modified adjusted gross income (MAGI) is between:
  - \$ 95,000 and \$110,000 for individual filers
  - \$190,000 and \$220,000 for joint filers
- No contributions can be made if contributor's MAGI exceeds the stated limits or the beneficiary is age 18 or older.
- Interest, dividends, and capital gains grow tax-deferred and may be distributed federal-income-tax free as long as the money is used to pay qualified education expenses.

## STUDENT LOAN INTEREST DEDUCTION

Maximum deduction	\$2,500
MAGI phaseouts:	
Married filing jointly	\$170,000 - \$200,000
Others	\$ 85,000 - \$100,000

## KIDDIE TAX

Children who have not reached the age of 19 by the end of the tax year are subject to the “kiddie tax” rules. If the child continues to be a full-time student, the rules apply until he or she turns age 24. If a child is age 18 or older and provides more than half of his or her own support, the kiddie tax rules do not apply. The following tax rate schedule will apply (assumes no earned income).

Unearned income	Tax treatment
Less than \$1,350	No tax
\$1,351 but less than \$13,500	Taxed at child's rate
More than \$13,500	Taxed at the higher of the parents' top marginal rate or the child's tax rate

## 529 PLANS

A 529 plan gives you a tax-advantaged way to save for education. You can set aside money on an after-tax basis and then grow it tax-free. When you withdraw the money for qualified educational expenses, you won't pay any taxes on the gains, either.

Contributions are considered gifts for tax purposes. In 2025, gifts totaling up to \$19,000 per individual (\$38,000 per couple) will qualify for the annual gift tax exclusion.

Moving leftover 529 funds to a beneficiary's Roth IRA can be a great way to help them build their retirement savings. If you're ready to move forward with a 529 to Roth IRA rollover, start by opening a Roth IRA account for the beneficiary.

## AMERICAN OPPORTUNITY CREDIT

Maximum credit	\$2,500 per student for first four years of qualified expenses paid (Up to \$10,000 in relief over four years)
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MAGI phaseouts:

Married filing jointly	\$160,000 - \$180,000
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Single filer	\$ 80,000 - \$ 90,000
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## LIFETIME LEARNING CREDIT

Maximum credit	20% of first \$10,000 (per tax return) of qualified expenses paid in 2024
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MAGI phaseouts:

Married filing jointly	\$160,000* - \$180,000
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Single filer	\$ 80,000* - \$ 90,000
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\* Revised January 2021 due to subsequent legislation

## EXCLUSION OF U.S. SAVINGS BOND INTEREST

MAGI phaseouts:

Married filing jointly	\$145,200 - \$175,200
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Others	\$ 96,800 - \$111,800
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Bonds must be titled in name(s) of taxpayer(s) only. Owner must be age 24 or older at time of issue. Must be Series EE issued after 1989 or any Series I bonds. Proceeds must be used for qualified postsecondary education expenses of the taxpayer, spouse, or dependent.

# SOCIAL SECURITY BENEFITS

## 2025 Earnings test

The earnings test indicates the level of earnings permissible for Social Security benefits recipients without incurring a reduction of benefits. These limits are indexed to increases in national earnings.

Worker younger than normal retirement age	\$23,400
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Year worker reaches full retirement age (applies only to earnings for months prior to attaining full retirement age)	\$62,160
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Worker at full retirement age	No limit
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## Maximum monthly benefit: \$5,036

This benefit is for an individual who reaches full retirement age in 2025 and earns at least the maximum wage base amount for the best 35 years. In addition, you must wait until age 70 before you apply for benefits.

Information provided by the Social Security Administration.

## Taxation thresholds

Up to a certain percentage of an individual's Social Security benefits is subject to taxation when his or her provisional income\* exceeds certain threshold amounts:

	Up to 50% taxed	Up to 85% taxed
Married/joint	\$32,000 - \$44,000	More than \$44,000
Single	\$25,000 - \$34,000	More than \$34,000
Married filing separately		85% taxable <sup>1</sup>

\* Provisional income generally includes modified adjusted gross income (MAGI) plus nontaxable interest and one-half of Social Security benefits.

<sup>1</sup> There is an exception to this rule if you lived apart from your spouse for the entire year. Consult your tax advisor for more information.



# 2025 SOCIAL SECURITY TAX RATES

<b>Minimum wage base for Social Security</b>		<b>\$176,100</b>
Employee	6.20%	\$ 10,918
Employer	6.20%	\$ 10,918
Self-employed	12.40%	\$ 21,836

## MEDICARE TAX RATES

### Thresholds

Single	\$200,000
Married/joint	\$250,000
Married/separate	\$125,000
Trust/estate	\$ 15,200

	<b>Below threshold</b>	<b>Above threshold</b>
Tax rate on employee compensation <i>Compare thresholds to Medicare wages as reported on IRS Form W-2</i>		
Employee's tax rate	1.45%	2.34%*
Employer's tax rate	1.45%	1.45%

Tax rate on self-employment income  
*Compare threshold to net self-employment income as determined on IRS Form 1040 Schedule SE*

Owner's rate	2.90%	3.80%*
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Tax rate on net investment income  
*Compare threshold to MAGI*

Investor's tax rate	0.00%	3.80%
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\* Includes the 0.9% Medicare surtax.

# BUSINESS

## Depreciation

36-Month Assets (Straight-Line) Most software

3-Year Assets (200% DB) Dies, molds, small tools, certain horses, tractor units

5-Year Assets (200% DB)

Autos, computers, office machinery, taxis, buses, trucks, cattle, private aircraft, appliances, carpeting, furniture, farm equipment

7-Year Assets (200% DB)

Most manufacturing equipment, office furniture, printing equipment, oil and gas production equipment

15-Year Assets (150% DB)

Land improvements other than buildings, retail fuel outlets

27.5-Year Assets (Straight-Line)

Rental houses, apartments, low-income housing

39-Year Assets (Straight-Line) Nonresidential buildings

## Personal Property Depreciation

### Percent of Original Depreciable Basis under 200% DB Method

(Not applicable for mid-quarter convention)

Recovery Year	3-Year Class	5-Year Class	7-Year Class
1	33.33	20.00	14.29
2	44.45	32.00	24.49
3	14.81	19.20	17.49
4	7.41	11.52	12.49
5		11.52	8.93
6		5.76	8.92
7			8.93
8			4.46

## Section 179 Expense Qualifying Business Property

	2025	2024
Maximum expense election	\$1,250,000	\$1,220,000
Phaseout threshold	\$3,130,000	\$3,050,000

## CORPORATE INCOME TAX RATES

### 2025 Tax Year

For tax years beginning after 12/31/17, the "C" corporation Federal tax rate is a flat 21%.

## QUALIFIED BUSINESS INCOME DEDUCTION

Owners of business entities, which are not taxed as "C" corporations, are eligible for a 20% Qualified Business Income (QBI) deduction. The deduction for QBI may be limited and/or subject to phase-out, depending on the taxable income of the individual, as well as such factors as the type of business, amount of wages paid by the business, and amount of capital assets owned by the business. If your total taxable income — that is, not just your business income but other income as well — is at or below \$197,300 for single filers and \$394,600 for joint filers, you may qualify for the 20% deduction on your taxable business income.

## STANDARD MILEAGE RATES

Use	2025	2024
Business	.70 per mile	.67 per mile
Moving	.21 per mile*	.21 per mile*
Medical	.21 per mile	.21 per mile
Charitable	.14 per mile	.14 per mile

\*For members of the U.S. Armed Forces (or their spouse or dependents). The rates apply to EV's, hybrids, gas and diesel vehicles.

# Use this inside cover to identify your firm's mission, vision and/or community involvement.

## Our Mission

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### Our Commitment To You

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### Community Outreach

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## Our Vision

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## Tell your clients about the following:

Special Events / Sponsorships

Client Appreciation Day

Sports Team Sponsorships

Seminars - Tax and Financial

College Scholarships

**Your Firm's Name,  
Logo, and Contact  
Information Here**