



2024 Tax Brackets and Rates

On a yearly basis the IRS adjusts more than 40 tax provisions for inflation. This is done to prevent what is called "bracket creep," when people are pushed into higher income tax brackets or have reduced value from credits and deductions due to inflation, instead of from an increase in real income.

The IRS historically used to use the Consumer Price Index (CPI) to calculate the past year's inflation.¹ However, with the Tax Cuts and Jobs Act of 2017, the IRS will now use the Chained Consumer Price Index (C-CPI) to adjust income thresholds, deduction amounts, and credit values accordingly.² While inflation appears to be cooling, continued higher inflation readings in 2022 yielded further hikes.

As always, personal taxes can be influenced by shifting political winds in Washington. However, this reference guide uses the official projections from IRS Revenue Procedure 2023-34 for 2024 personal income tax rates. In the event of relevant legislative changes for 2024 personal tax information, we will provide further guidance. In the meantime, we are providing this guide on select provisions of the 2024 inflation adjusted figures from the IRS. The following pages include a sampling of what we believe are mostly broadly relevant tax brackets, rates, and related information for 2024. If you're interested in the complete IRS adjustment release, please click the hyperlink in the first footnote below.

Federal Income Tax

Income Tax Brackets and Rates

In 2024, the income limits for all tax brackets and all filers will be adjusted for inflation and will be as follows. The top marginal tax rate remains 37% for individual single taxpayers with incomes greater than \$609,350 (\$731,200 for married couples filing jointly). It is worth noting that Estate & Trust Incomes are taxed using different brackets than ordinary income (shown in Table 8).

TABLE 1.
Tax Brackets and Rates – 2024 – MFJ, Individuals

Married Filing Jointly		Individuals	
If Taxable Income Is	The Tax Due Is	If Taxable Income Is	The Tax Due Is
\$0 - \$23,200	10% of taxable income	\$0 - \$11,600	10% of taxable income
\$23,200 - \$94,300	\$2,320 + 12% of the amount over \$23,200	\$11,600 - \$47,150	\$1,160 + 12% of the amount over \$11,600
\$94,300 - \$201,050	\$10,852 + 22% of the amount over \$94,300	\$47,150 - \$100,525	\$5,426 + 22% of the amount over \$47,150
\$201,050 - \$383,900	\$34,337 + 24% of the amount over \$201,050	\$100,525 - \$191,950	\$17,168.50 + 24% of the amount over \$100,525
\$383,900 - \$487,450	\$78,221 + 32% of the amount over \$383,900	\$191,950 - \$243,725	\$39,110.50 + 32% of the amount over \$191,150
\$487,450 - \$731,200	\$111,357 + 35% of the amount over \$487,450	\$243,725 - \$609,350	\$55,678.50 + 35% of the amount over \$243,725
over \$731,200	\$196,669.50 + 37% of the amount over \$731,200	Over \$609,350	\$183,647.25 + 37% of the amount over \$609,350

Source: Internal Revenue Service

¹Internal Revenue Service, "Revenue Proc. 2023-34," <https://www.irs.gov/pub/irs-drop/rp-23-34.pdf>.

²Robert Cage, John Greenlees, and Patrick Jackman, "Introducing the Chained Consumer Price Index," U.S. Bureau of Labor Statistics, May 2003, <https://www.bls.gov/cpi/additional-resources/chained-cpi-introduction.pdf>.

Standard Deduction and Personal Exemption

The standard deduction will increase by \$1,650 for single filers and \$2,500 heads of household, and it will increase by \$3,300 for married couples filing jointly. The personal exemption for 2024 remains eliminated.

TABLE 2.

Standard Deduction - 2024

Filing Status	Deduction Amount
Single	\$14,600
Married Filing Jointly	\$29,200
Head of Household	\$21,900

Source: Internal Revenue Service

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 may 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.

The AMT exemption amount for 2024 is increased by \$4,400 for singles and \$6,800 for married couples filing jointly.

TABLE 3.

Alternative Minimum Tax Exemptions - 2024

Filing Status	Exemption Amount
Single	\$85,700
Married Filing Jointly	\$133,300

Source: Internal Revenue Service

In 2024, the 28 percent AMT rate applies to excess AMTI of \$232,600 for all taxpayers (\$116,300 for married couples filing separate returns). AMT exemptions phase out at 25 cents per dollar earned once taxpayer AMTI hits a certain threshold.

TABLE 4.

Alternative Minimum Tax Exemption Phaseout Thresholds - 2024

Filing Status	Phaseout Threshold
Single	\$609,350
Married Filing Jointly	\$1,218,700

Source: Internal Revenue Service

Earned Income Tax Credit

The tax year 2024 maximum Earned Income Credit amount is \$7,830 for qualifying taxpayers who have three or more qualifying children, up from a total of \$7,430 for tax year 2023. The maximum credits for 2024 are \$632 for those with no qualifying children, \$4,213 for those with one child, \$6,960 if you have two children, and \$7,830 for those with three or more children.

TABLE 5.
Earned Income Tax Credit Parameters – 2024

		No Children	One Child	Two Children	Three or More Children
Single or Head of Household	Income at Max Credit	\$8,260	\$12,390	\$17,400	\$17,400
	Maximum Credit	\$632	\$4,213	\$6,960	\$7,830
	Phaseout Begins	\$10,330	\$22,720	\$22,720	\$22,720
	Phaseout Ends (Credit Equals Zero)	\$18,591	\$49,084	\$55,768	\$59,899
Married Filing Jointly	Income at Max Credit	\$8,260	\$12,390	\$17,400	\$17,400
	Maximum Credit	\$632	\$4,213	\$6,960	\$7,830
	Phaseout Begins	\$17,250	\$29,640	\$29,640	\$29,640
	Phaseout Ends (Credit Equals Zero)	\$25,511	\$56,004	\$62,688	\$66,819

Source: Internal Revenue Service

Capital Gains

Long-term capital gains are taxed using different brackets and rates than ordinary income.

TABLE 6.
Capital Gains Brackets - 2024

Rate	For Individuals, Taxable Capital Gains over:	For Married Couples Filing Joint, Taxable Capital Gains over:	For Heads of Household, Taxable Capital Gains over:
0%	\$0	\$0	\$0
15%	\$47,025	\$94,050	\$63,000
20%	\$518,900	\$583,750	\$551,350

Source: Internal Revenue Service

Qualified Business Income Deduction (Sec. 199A)

The Tax Cuts and Jobs Act includes a 20 percent deduction for pass-through businesses against up to \$191,950 of qualified business income for unmarried taxpayers and \$383,900 for married taxpayers.

TABLE 7.
Qualified Business Income Deduction Thresholds - 2024

Filing Status	Deduction Threshold
Single Individuals	\$191,950
Married Filing Jointly	\$383,900

Source: Internal Revenue Service

Federal Gift & Estate Tax

Trust & Estate Income Tax Brackets

For the tax year 2024, Trust & Estate income is taxed at 10%, 24%, 35%, and 37%, with income exceeding \$14,450 being taxed at the 37% rate. As illustrated below, Trust & Estate income brackets are significantly more compressed than personal income brackets, and as a result tend to pay more taxes than individual or married taxpayers. The table below highlights the comparative income tax disadvantage for trusts and estates relative to married filers.

TABLE 8.

Income Tax Brackets and Rates – 2024 – Trusts and Estates, MFJ

Trusts & Estates		Married Filing Jointly	
If Taxable Income Is	The Tax Due Is	If Taxable Income Is	The Tax Due Is
\$0 - \$3,100	10% of taxable income	\$0 - \$23,200	10% of taxable income
		\$23,200 - \$94,300	\$2,320 + 12% of the amount over \$23,200
		\$94,300 - \$201,050	\$10,852 + 22% of the amount over \$94,300
\$3,100 - \$11,150	\$310 + 24% of the amount over \$3,100	\$201,050 - \$383,900	\$34,337 + 24% of the amount over \$201,050
		\$383,900 - \$487,450	\$78,221 + 32% of the amount over \$383,900
\$11,150 - \$15,200	\$2,242 + 35% of the amount over \$11,150	\$487,450 - \$731,200	\$111,357 + 35% of the amount over \$487,450
Over \$15,200	\$3,659.50 + 37% of the amount over \$15,200	Over \$731,200	\$196,669.50 + 37% of the amount over \$731,200

Source: Internal Revenue Service

Annual Exclusion for Gifts

In 2024, the first \$18,000 of gifts to any person are excluded from gift tax. This is an increase of \$1,000 from the 2023 exclusion of \$17,000. The exclusion is increased to \$185,000 for gifts to spouses who are not citizens of the United States, up from \$175,000 in 2023.

Estate Gift Tax Exemption

In 2024, the federal estate and gift tax exemption is increased to \$13,610,000 (\$27,220,000 for married couples), up from \$12,920,000 in 2023 (\$25,840,000 for married couples). Gifts or bequests in excess of these thresholds remain subject to gift or estate tax at the highest marginal rate of 40%.

It is worth noting that – without any legislative action – the federal estate and gift tax exemption is set to sunset on December 31, 2025, to the thresholds in existence before the Trump tax cuts. That amount will be \$5,490,000, adjusted for inflation from 2017. (The sunset of the Trump Tax Cuts will also impact income tax brackets, SALT caps, the measuring stick for inflation, and other important elements.)

Data provided in this article is for informational purposes only and is adapted from sources we believe to be reliable. MBL Advisors Inc. does not offer tax advice. Please consult your personal tax advisor.

MBL Advisors Inc. is independently owned and operated. Investment Advisory Services are offered through MBL Wealth, LLC, a Registered Investment Advisor. For important information related to MBL Wealth, LLC, refer to the Client Relationship Summary (Form CRS) by navigating to <http://mbl-advisors.com>. Securities are offered through M Holdings Securities, Inc., a registered broker/dealer, member FINRA/SIPC. For important information related to M Holdings Securities, Inc, refer to the Client Relationship Summary (Form CRS) by navigating to <https://mfin.com/m-securities>. Insurance solutions are offered through MBL Advisors Inc. 6133263.1