

# 2025 Tax Planning Guide

## Federal Income Tax Rates

### Individuals

| If Taxable Income Is  | The Tax Due Is                                  |
|-----------------------|---|
| \$0 - \$11,925        | 10% of taxable income                           |
| \$11,925 - \$48,475   | \$1,192.50 + 12% of the amount over \$11,925    |
| \$48,475 - \$103,350  | \$5,578.50 + 22% of the amount over \$48,475    |
| \$103,350 - \$197,300 | \$17,651 + 24% of the amount over \$103,350     |
| \$197,300 - \$250,525 | \$40,199 + 32% of the amount over \$197,300     |
| \$250,525 - \$626,350 | \$57,231 + 35% of the amount over \$250,525     |
| Over \$626,350        | \$188,769.75 + 37% of the amount over \$626,350 |

### Married Filing Jointly

| If Taxable Income Is  | The Tax Due Is                                  |
|-----------------------|---|
| \$0 - \$23,850        | 10% of taxable income                           |
| \$23,850 - \$96,950   | \$2,385 + 12% of the amount over \$23,850       |
| \$96,950 - \$206,700  | \$11,157 + 22% of the amount over \$96,950      |
| \$206,700 - \$394,600 | \$35,302 + 24% of the amount over \$206,700     |
| \$394,600 - \$501,050 | \$80,398 + 32% of the amount over \$394,600     |
| \$501,050 - \$751,600 | \$114,462 + 35% of the amount over \$501,050    |
| over \$751,600        | \$202,154.50 + 37% of the amount over \$751,600 |

### Estates and Trusts

| If Taxable Income Is | The Tax Due Is                            |
|----------------------|---|
| \$0 - \$3,150        | 10% of taxable income                     |
| \$3,150 - \$11,450   | \$315 + 24% of the amount over \$3,150    |
| \$11,450 - \$15,650  | \$2,307 + 35% of the amount over \$11,450 |
| Over \$15,650        | \$3,777 + 37% of the amount over \$15,650 |

### Long Capital Gains & Qualified Dividend Brackets

| Taxable Income Over                                   | But Not Over | Tax Rate |
|---|--------------|----------|
| <b>Single Filers</b>                                  |              |          |
| \$0   | \$48,350     | 0%       |
| \$48,350  | \$533,400    | 15%      |
| \$533,400   |              | 20%      |
| <b>Married Filing Jointly &amp; Surviving Spouses</b> |              |          |
| \$0   | \$96,700     | 0%       |
| \$96,700  | \$600,050    | 15%      |
| \$600,050   |              | 20%      |
| <b>Head of Household</b>                              |              |          |
| \$0   | \$64,750     | 0%       |
| \$64,750  | \$566,700    | 15%      |
| \$566,700   |              | 20%      |
| <b>Trust &amp; Estates</b>                            |              |          |
| \$0   | \$3,250      | 0%       |
| \$3,250   | \$15,900     | 15%      |
| \$15,900  |              | 20%      |

## Standard Deduction

| Filing Status          | Deduction Amount |
|------------------------|------------------|
| Single                 | \$15,000         |
| Married Filing Jointly | \$30,000         |
| Head of Household      | \$22,500         |

### Qualified Retirement Plans

|   |           |
|---|-----------|
| 401(k), 403(b), 457(b) salary deferral                    | \$23,500  |
| 50+ Catch Up  | \$7,500   |
| Maximum annual contributions to defined contribution plan | \$70,000  |
| Maximum annual benefit in defined benefit plan            | \$280,000 |
| Maximum compensation considered                           | \$350,000 |
| Highly compensated employee                               | \$160,000 |

### SEP IRA and SIMPLE IRA Contribution Limits

|   |           |
|---|-----------|
| Maximum annual additions to SEP IRA           | \$69,000  |
| Maximum compensation considered for a SEP IRA | \$350,000 |
| SIMPLE IRA salary deferral amount             | \$16,500  |
| 50+ Catch Up                                  | \$3,500   |

### Traditional and Roth IRA

| IRA Annual Contribution Limit |         |
|-------------------------------|---------|
| Contribution limit            | \$7,000 |
| 50+ Catch Up                  | \$1,000 |

### Traditional IRA Deductibility phase out (based on MAGI)

| Participants in employer plans                 |                       |
|--|-----------------------|
| Married filing jointly or qualifying widow(er) | \$126,000 - \$146,000 |
| Married filing separately                      | \$0 - \$10,000        |
| Single or head of household                    | \$79,000 - \$89,000   |

### Nonparticipant married to a participant

|                           |                       |
|---------------------------|-----------------------|
| Married filing jointly    | \$236,000 - \$246,000 |
| Married filing separately | \$0 - \$10,000        |

### Roth IRA phase out (based on MAGI)

|  |                       |
|--|-----------------------|
| Married filing jointly or qualifying widow(er) | \$236,000 - \$246,000 |
| Married filing separately                      | \$0 - \$10,000        |
| Single or head of household                    | \$150,000 - \$165,000 |

## 2025 Tax Planning Guide

### Gift & Estate Tax

|   |  |
|---|--|
| Gift Tax Annual Exclusion               | \$19,000   |
| Estate & Gift Tax Unified Credit Amount | \$13,990,000                                       |
| Generation Skipping Exemption           | \$13,990,000                                       |
| Gifts to noncitizen spouse              | \$190,000  |
| Maximum Estate Tax Rate                 | 40%  |
| States with separate estate tax         | CT, DC, HI, IL, MA, ME, MD, MN, NY, OR, RI, VT, WA |
| States with inheritance tax             | KY, MD, NE, NJ, PA                                 |
| Community property states               | AZ, CA, ID, LA, NM, NV, TX, WA, WI                 |

### Social Security

#### Taxable Wage Base

|                         |           |
|-------------------------|-----------|
| Social Security (OASDI) | \$176,100 |
| Medicare (HI only)      | No Limit  |

#### Retirement Earnings Test

|  |                            |
|--|----------------------------|
| <b>Under full retirement age</b>   | \$23,400/yr. (\$1,950/mo.) |
| <i>One dollar in benefits will be withheld for every \$2 in earnings above the limit</i> |                            |
| <b>Year reaching full retirement age</b>   | \$62,160/yr. (\$5,180/mo.) |

*Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.*

#### Age to Receive Full Social Security Benefits

| Year of Birth | Full Retirement Age | % Reduced at Age 62 |
|---------------|---------------------|---------------------|
| 1934-1954     | 66                  | 25.00%              |
| 1955          | 66 and 2 months     | 25.83%              |
| 1956          | 66 and 4 months     | 26.67%              |
| 1957          | 66 and 6 months     | 27.50%              |
| 1958          | 66 and 8 months     | 28.33%              |
| 1959          | 66 and 10 months    | 29.17%              |
| 1960 & Later  | 67                  | 30.00%              |

#### Taxability of Benefits Based on Provisional Income

|             | Individual            | Married Filing Jointly |
|-------------|-----------------------|------------------------|
| Not taxable | Less than \$25,000    | Less than \$32,000     |
| Up to 50%   | \$25,000-\$34,000     | \$32,000-\$44,000      |
| Up to 85%   | Greater than \$34,000 | Greater than \$44,000  |

### IRA RMD Uniform Lifetime Table

| Age | Divisor | % Account | Age | Divisor | % Account |
|-----|---------|-----------|-----|---------|-----------|
| 72  | 27.4    | 3.65%     | 87  | 14.4    | 6.94%     |
| 73  | 26.5    | 3.77%     | 88  | 13.7    | 7.30%     |
| 74  | 25.5    | 3.92%     | 89  | 12.9    | 7.75%     |
| 75  | 24.6    | 4.07%     | 90  | 12.2    | 8.20%     |
| 76  | 23.7    | 4.22%     | 91  | 11.5    | 8.70%     |
| 77  | 22.9    | 4.37%     | 92  | 10.8    | 9.26%     |
| 78  | 22      | 4.55%     | 93  | 10.1    | 9.90%     |
| 79  | 21.1    | 4.74%     | 94  | 9.5     | 10.53%    |
| 80  | 20.2    | 4.95%     | 95  | 8.9     | 11.24%    |
| 81  | 19.4    | 5.15%     | 96  | 8.4     | 11.90%    |
| 82  | 18.5    | 5.41%     | 97  | 7.8     | 12.82%    |
| 83  | 17.7    | 5.65%     | 98  | 7.3     | 13.70%    |
| 84  | 16.8    | 5.95%     | 99  | 6.8     | 14.71%    |
| 85  | 16      | 6.25%     | 100 | 6.4     | 15.63%    |
| 86  | 15.2    | 6.58%     | 101 | 6       | 16.67%    |

### Qualified Business Income Deduction Threshold

| Filing Status          | Deduction Threshold |
|------------------------|---------------------|
| Single Individuals     | \$197,300           |
| Married Filing Jointly | \$394,600           |

### Alternative Minimum Tax Exemptions

| Filing Status          | Exemption Amount |
|------------------------|------------------|
| Single                 | \$88,100         |
| Married Filing Jointly | \$137,000        |

### AMT Phaseout Thresholds

| Filing Status          | Phaseout Threshold |
|------------------------|--------------------|
| Single                 | \$626,350          |
| Married Filing Jointly | \$1,252,700        |

### Tax Deadlines

Wednesday, January 15, 2025 - Q4 2024 tax payments due (unless deferring until 5/1)

Tuesday, April 15, 2025 - 2024 IRA, HSA, Keogh, SEP contribution deadline

- Q1 2025 estimated tax payments due

- Taxpayers in areas affected by Helene have an automatic extension to 5/1/2025

Thursday, May 1, 2025 - 2024 tax filing deadline for taxpayers impacted by Helene (AL, GA, NC, SC, FL, TN, VA)

Monday, June 16, 2025 - Q2 2025 estimated tax payments due

Monday, September 15, 2025 - Q3 2025 estimated tax payments due

Wednesday, October 15, 2025 - 2024 Tax returns due for those with extensions

Wednesday, December 31, 2025 - Last day to:

- pay expenses for itemized deductions

- realize capital gains/losses

- open/fund Keogh, solo 401k

- contribute to employer sponsored retirement plan