2026 Tax Brackets and Rates

Each year, the IRS adjusts more than 40 tax provisions for inflation to ensure taxpayers are not pushed into higher brackets or lose the value of deductions and credits due solely to rising prices, a phenomenon called "bracket creep."

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 now uses the Chained Consumer Price Index (C-CPI) to adjust income thresholds, deduction amounts, and credit values accordingly.[2]

This reference guide uses the official projections from IRS Revenue Procedure 2025-32 for 2026 personal income tax rates. In the event of relevant legislative changes for 2026 personal tax information, we will provide further guidance. The following pages include a sampling of what we believe are mostly broadly relevant tax brackets, rates, and related information for 2026. 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 2026, 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 $626,350 ($751,600 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 – 2026 – MFJ, Individuals

Married Filing Jointly		Individuals	
If Taxable Income Is	**The Tax Due Is**	**If Taxable Income Is**	**The Tax Due Is**
$0 - $24,800	10% of taxable income	**$0 - $12,400**	10% of taxable income
$24,800 - $100,800	$2,480 + 12% of the amount over $24,800	**$12,400 - $50,400**	$1,240 + 12% of the amount over $12,400
$100,800 - $211,400	$11,600 + 22% of the amount over $100,800	**$50,400 - $105,700**	$5,800 + 22% of the amount over $50,400
$211,400 - $403,550	$35,932 + 24% of the amount over $211,400	**$105,700 - $201,775**	$17,966 + 24% of the amount over $105,700
$403,550 - $512,450	$82,048 + 32% of the amount over $403,550	**$201,775 - $256,225**	$41,024 + 32% of the amount over $201,775
$512,450 - $768,700	$116,896 + 35% of the amount over $512,450	**$256,225 - $640,600**	$58,448 + 35% of the amount over $256,225
over $768,700	$206,583.50 + 37% of the amount over $768,700	**Over $640,600**	$192,979.25 + 37% of the amount over $640,600

Source: Internal Revenue Service

[1]Internal Revenue Service, "Revenue Proc. 2025-32;" https://www.irs.gov/pub/irs-drop/rp-25-32.pdf.
[2]Robert 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.

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Standard Deduction and Personal Exemption

The standard deduction will increase by $1,100 for single filers, $1,650 for heads of household, and $2,200 for married couples filing jointly. The personal exemption for 2026 remains eliminated.

TABLE 2.
Standard Deduction - 2026

Filing Status	Deduction Amount
Single	$16,100
Married Filing Jointly	$32,200
Head of Household	$24,150

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 2026 is increased by $2,000 for singles and $3,200 for married couples filing jointly.

TABLE 3.
Alternative Minimum Tax Exemptions - 2026

Filing Status	Exemption Amount
Single	$90,100
Married Filing Jointly	$140,200

Source: Internal Revenue Service

In 2026, the 28 percent AMT rate applies to excess AMTI of $244,500 for all taxpayers ($122,250 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 - 2026

Filing Status	Phaseout Threshold
Single	$680,200
Married Filing Jointly	$1,280,400

Source: Internal Revenue Service

Capital Gains

Long-term capital gains and qualified dividends use separate 0%, 15%, and 20% brackets that are applied based on taxable income.

TABLE 6.
Capital Gains Brackets - 2026

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%	$49,450	$98,900	$66,200
20%	$545,500	$613,700	$579,600

Source: Internal Revenue Service

Qualified Business Income Deduction (Sec. 199A)

The QBI deduction—also called the Section 199A deduction—allows eligible taxpayers to deduct up to 20% of their qualified business income, subject to income thresholds of $201,750 for single filers and $403,500 for married couples filing jointly.

TABLE 7.
Qualified Business Income Deduction Thresholds - 2026

Filing Status	Deduction Threshold	*2025*
Single Individuals	$201,750	*$197,300*
Married Filing Jointly	$403,500	*$394,600*

Source: Internal Revenue Service

Federal Gift & Estate Tax

Trust & Estate Income Tax Brackets

For the tax year 2026, Trust & Estate income is taxed at 10%, 24%, 35%, and 37%, with income exceeding $16,000 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. [3]

TABLE 8.
Income Tax Brackets and Rates – 2026 – Trust and Estate, MFJ

Trust & Estate		Married Filing Jointly	
If Taxable Income Is	**The Tax Due Is**	**If Taxable Income Is**	**The Tax Due Is**
$0 - $3,300	10% of taxable income	**$0 - $24,800**	10% of taxable income
		$24,800 - $100,800	$2,480 + 12% of the amount over $24,800
		$100,800 - $211,400	$11,600 + 22% of the amount over $100,800
$3,300 - $11,700	$330 + 24% of the amount over $3,300	**$211,400 - $403,550**	$35,932 + 24% of the amount over $211,400
		$403,550 - $512,450	$82,048 + 32% of the amount over $403,550
$11,700 - $16,000	$2,346 + 35% of the amount over $11,700	**$512,450 - $768,700**	$116,896 + 35% of the amount over $512,450
Over $16,000	$3,851 + 37% of the amount over $16,000	**over $768,700**	$206,583.50 + 37% of the amount over $768,700

Source: Internal Revenue Service

Annual Exclusion for Gifts

In 2026, the annual exclusion for gifts remains unchanged at $19,000. The exclusion for gifts to spouses who are not citizens of the United States is increased to $194,000, up from $190,000 in 2025.

Estate & Gift Tax Exemption

In 2026, the federal estate and gift tax exemption increased to $15,000,000 ($30,000,000 for married couples), up from $13,990,000 in 2025 ($27,980,000 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%.

[3] 65 Day Election – Section 663(b) of the tax code states that any distribution of income by an estate or irrevocable trust within the first 65 days of a tax year can be treated as having been made on the final of the preceding year and will be taxed at the recipients tax bracket rather than compressed trust/estate brackets.

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

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