

# 2026 tax rates, schedules and contribution limits

## Income Tax

Filing Status	If Taxable Income Is Over	But Not Over	The Tax Is	Of the Amount Over
<b>Married/Filing jointly and qualifying widow(er)s</b>	\$0	\$24,800	\$0 + 10%	\$0
	\$24,800	\$100,800	\$2,480 + 12%	\$24,800
	\$100,800	\$211,400	\$11,600 + 22%	\$100,800
	\$211,400	\$403,550	\$35,932 + 24%	\$211,400
	\$403,550	\$512,450	\$82,048 + 32%	\$403,550
	\$512,450	\$768,700	\$116,896 + 35%	\$512,450
	\$768,700	—	\$206,583.50 + 37%	\$768,700
<b>Single</b>	\$0	\$12,400	\$0 + 10%	\$0
	\$12,400	\$50,400	\$1,240 + 12%	\$12,400
	\$50,400	\$105,700	\$5,800 + 22%	\$50,400
	\$105,700	\$201,775	\$17,966 + 24%	\$105,700
	\$201,775	\$256,225	\$41,024 + 32%	\$201,775
	\$256,225	\$640,600	\$58,488 + 35%	\$256,225
	\$640,600	—	\$192,979.25 + 37%	\$640,600
<b>Estates and trusts</b>	\$0	\$3,300	\$0 + 10%	\$0
	\$3,300	\$11,700	\$330 + 24%	\$3,300
	\$11,700	\$16,000	\$2,346 + 35%	\$11,700
	\$16,000	—	\$3,851 + 37%	\$16,000

## Tax on Corporations and Other Businesses

- 21% tax rate applied on C-corporation income.
- Taxpayers may generally deduct up to 20% of the qualified business income (QBI) of S corporations, partnerships and sole proprietorships (reduced by net capital gain and qualified dividends), subject to limitations:
  - Deduction generally not available for a specified service trade or business (SSTB) if taxable income exceeds \$276,750 (single) or \$553,500 (married/filing jointly); the deduction is subject to a phaseout unless taxable income is at or below \$201,750 (single) or \$403,500 (married/filing jointly).
  - If taxable income exceeds \$276,750 (single) or \$553,500 (married/filing jointly), the deduction is limited to the lesser of: (a) 20% of QBI or (b) the greater of (i) 50% of W-2 wages paid by each business or (ii) 25% of W-2 wages paid by each business plus 2.5% of the unadjusted basis of qualified property; wage and qualified property limitations are not applicable to taxable incomes at or below \$201,750 (single) or \$403,500 (married/filing jointly) and are fully phased in once taxable income exceeds \$276,750 (single) or \$553,500 (married/filing jointly).

## Tax on Capital Gains and Qualified Dividends

Filing Status	Income	Tax Rate
<b>Married/Filing jointly</b>	\$0-\$98,900	0%
	Over \$98,900 but not over \$613,700	15%
	Over \$613,700	20%
<b>Single</b>	\$0-\$49,450	0%
	Over \$49,450 but not over \$545,500	15%
	Over \$545,500	

Additional 3.8% federal net investment income (NII) tax applies to individuals on the lesser of NII or modified AGI more than \$200,000 (single) or \$250,000 (married/filing jointly and qualifying widow(er)s). Also applies to any trust or estate on the lesser of undistributed NII or AGI more than the dollar amount at which the estate/trust pays income taxes at the highest rate (\$16,000).

## Employer Retirement Plans

<b>Maximum elective deferral to retirement plans (401(k), 403(b))</b>	\$24,500
<b>Catch-up contribution limit for 401(k), 403(b) and certain 457 plans (beginning at age 50)</b>	\$8,000
<b>Catch-up contribution limit for 401(k), 403(b) and 457 plans (ages 60–63)</b>	\$11,250
<b>Maximum elective deferral to SIMPLE plans</b>	\$17,000
<b>Catch-up contribution limit for SIMPLE plans (beginning at age 50)</b>	\$4,000
<b>Catch-up contribution limit for SIMPLE plans (ages 60–63)</b>	\$5,250
<b>Maximum elective deferral to 457 plans of government and tax-exempt employers</b>	\$24,500
<b>Limit on annual additions to defined contribution plans</b>	\$72,000
<b>Annual compensation threshold requiring SEP contribution</b>	\$800
<b>Limit on annual additions to SEP plans</b>	\$72,000
<b>Annual benefit limit under defined benefit plans</b>	\$290,000
<b>Health flexible spending account maximum salary reduction contribution</b>	\$3,400

The SECURE 2.0 law allows individuals in SIMPLE IRAs to contribute 10% more if their plan meets certain requirements: (a) the plan has no more than 25 participants or, (b) if the employer elects to make a higher matching or non-elective contribution regardless of plan size. The higher contribution applies to elective salary deferrals and the catch-up contribution for those who reach age 50.

## Kiddie Tax\*

Child's unearned income above \$2,700 is generally subject to taxation at the parent's marginal tax rate; unearned income above \$1,350 but not more than \$2,700 is taxed at the child's tax rate.

\*Applies if either parent of the child is alive at the close of the taxable year, the child does not file a joint return for the taxable year, and the child either (a) has not attained age 18 by close of the year, (b) has attained age 18 before the close of the year, but the child's earned income represents not more than one half of support needs and the child has not attained age 19 by the close of the year, or (c) the child is a full-time student who has not attained age 24 as of the close of the year and the child's earned income represents not more than one half of support needs.

Preferential rates on long-term capital gains and qualified dividends are applicable; 3.8% federal NII tax is imposed separately on each child if modified AGI exceeds threshold amounts stated above.

## Child Tax Credit

- \$2,200 per qualifying child (who has not attained age 17 during this year); phased out as modified AGI exceeds \$400,000 (married/filing jointly) or \$200,000 (all other); \$1,700 per child is refundable
- \$500 nonrefundable credit for qualified dependents other than qualifying children (with some modified AGI phaseouts)

## Standard Deductions

Filing Status	Annual	Age 65+	Age 65+ and Blind
<b>Married/Filing jointly</b>	\$32,200	\$1,650	\$3,300
<b>Single</b>	\$16,100	\$2,050	\$4,100

## Health Savings Accounts Contribution Limits

Contribution Type	Limit
<b>Individual</b>	\$4,400
<b>Family</b>	\$8,750

\$5,400 for individuals and \$9,750 for families.

20% Catch-up contribution: Taxpayers who are 55 or older in 2026 may contribute an additional \$1,000 or

## New Tax Deductions

New deduction	Amount	Phaseout applies at:
<b>Senior (age 65+)</b>	\$6,000 per individual	Modified AGI \$75,000–\$174,999 (single) and \$150,000–\$249,999 (married/filing jointly)
<b>Overtime pay</b>	\$12,500 (single), \$25,000 (married/filing jointly)	Modified AGI \$150,000–\$274,999 (single) and \$300,000–\$549,999 (married/filing jointly)
<b>Qualified tips</b>	\$25,000 per tax return	Modified AGI \$150,000–\$399,999 (single) and \$300,000–\$499,999 (married/filing jointly)
<b>Auto loan interest</b>	\$10,000 per tax return*	Modified AGI \$100,000–\$149,999 (single) and \$200,000–\$249,999 (married/filing jointly)

\*Applies to passenger cars where final assembly occurs in the US.

## Deduction for Mortgage Interest

- Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits
- Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence

## Deduction for State and Local Taxes

Individuals may deduct state and local income (or sales) taxes and real and personal property taxes up to \$40,400 (\$20,200 if married/filing separately) in the aggregate. A phaseout applies once Modified AGI exceeds \$505,000. At \$606,333, the cap is \$10,000 (\$5,000 for married/filing separately).

## Higher Education Tax Credits

Filing Status	Modified AGI Phaseouts for American Opportunity Tax Credit	Modified AGI Phaseouts for Lifetime Learning Credit
<b>Married/Filing jointly</b>	\$160,001–\$179,999	\$160,001–\$179,999
<b>Single</b>	\$80,001–\$89,999	\$80,001–\$89,999

## Estate and Gift Taxes

<b>Unified lifetime gift tax and gross estate tax exclusion</b>	\$15,000,000
<b>GST exemption</b>	\$15,000,000
<b>Annual gift tax exemption</b>	\$19,000 (\$38,000 for married couples electing split gifts)

## Maximum Earnings Before Social Security Benefits Are Reduced

<b>Under full retirement age (\$1 withheld for every \$2 above limit)</b>	\$24,480
<b>Full retirement age and over</b>	No limit*

\*Interim annual limit of \$65,160 applies for whole months prior to attaining full retirement age during year individual reaches full retirement age (\$1 withheld for every \$3 above limit).

## Maximum Compensation Subject to FICA Taxes

<b>OASDI (Social Security) maximum</b>	\$184,500
<b>HI (Medicare) maximum</b>	No limit

OASDI and HI tax rate: 12.4% OASDI and 2.9% HI (15.3% combined) for self-employed; 6.2% and 1.45% (7.65% combined) for employees. An additional 0.9% HI tax imposed on individuals with wages or self-employment income in excess of \$200,000 (single and qualifying widow(er)s) or \$250,000 (married/filing jointly).

Sources: IRS and Social Security Administration updates 2025. One Big Beautiful Bill Act. July 4, 2025.

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## Base Amount of Modified AGI Causing Social Security Benefits to Be Taxable

Filing Status	Up to 50% Taxable	Up to 85% Taxable
<b>Married/Filing jointly and qualifying widow(er)</b>	\$32,001–\$44,000	>\$44,000
<b>Single</b>	\$25,001–\$34,000	>\$34,000

## Traditional IRAs

### Maximum annual contribution

- Lesser of compensation or \$7,500
- Up to \$7,500 contribution can also be made for nonworking spouse
- Catch-up contributions (age 50 and over): \$1,100

## Deductibility Table

Filing Status	Covered by Employer's Retirement Plan	Modified AGI	Modified AGI	Deductibility
		2025	2026	
<b>Single</b>	No	Any amount	Any amount	Full
	Yes	\$79,000 or less	\$81,000 or less	Full
		\$79,001–\$88,999	\$81,001–\$90,999	Partial
<b>Married/Jointly</b>		\$89,000 or more	\$91,000 or more	None
	Neither spouse covered	Any amount	Any amount	Full
	Both spouses covered	\$126,000 or less	\$129,000 or less	Full
		\$126,001–\$145,999	\$129,001–\$148,999	Partial
		\$146,000 or more	\$149,000 or more	None
	Yes, but spouse is not covered	\$126,000 or less	\$129,000 or less	Full
		\$126,001–\$145,999	\$129,001–\$148,999	Partial
		\$146,000 or more	\$149,000 or more	None
	No, but spouse is covered	\$236,000 or less	\$242,000 or less	Full
		\$236,001–\$245,999	\$242,001–\$251,999	Partial
		\$246,000 or more	\$252,000 or more	None

## Roth IRAs

### Maximum annual contribution

- Lesser of compensation or \$7,500
- Up to \$7,500 contribution can also be made for nonworking spouse
- Catch-up contributions (age 50 and over): \$1,100

## Contribution eligibility

Modified AGI is less than \$153,000 (single) or \$242,000 (married/filing jointly); phaseouts apply if modified AGI is \$153,000–\$168,000 (single) or \$242,000–\$252,000 (married/filing jointly).

## Deductibility

Contributions to Roth IRAs are not deductible.

## Conversion eligibility

There is no income restriction on eligibility for a Roth IRA conversion.

## AMT Exemptions

Filing Status	Exemption Amount
<b>Married/Filing jointly</b>	\$140,200
<b>Single</b>	\$90,100

Phases out beginning with alternative minimum taxable income over \$1,000,000 (married/filing jointly and qualifying widow(er)s) or \$500,000 (single filers). AMT ordinary income rate increases from 26% to 28% for alternative minimum taxable income over \$244,500 (single, married/filing jointly and qualifying widow(er)s).