

2025 TAX FACTS & FIGURES



FEDERAL TAXES

Federal Income Tax Brackets and Rates (Note: Short-term capital gains are taxed as ordinary income.)

Tax Rate	Married Filing Jointly (MFJ)	Single	Married Filing Separately (MFS)	Heads of Households (HOH)
10%	\$0–\$23,850	\$0–\$11,925	\$0–\$11,925	\$0–\$17,000
12%	\$23,851–\$96,950	\$11,926–\$48,475	\$11,926–\$48,475	\$17,001–\$64,850
22%	\$96,951–\$206,700	\$48,476–\$103,350	\$48,476–\$103,350	\$64,851–\$103,350
24%	\$206,701–\$394,600	\$103,351–\$197,300	\$103,351–\$197,300	\$103,351–\$197,300
32%	\$394,601–\$501,050	\$197,301–\$250,525	\$197,301–\$250,525	\$197,301–\$250,500
35%	\$501,051–\$751,600	\$250,526–\$626,350	\$250,526–\$375,800	\$250,501–\$626,350
37%	Over \$751,600	Over \$626,350	Over \$375,800	Over \$626,350

Long-Term Capital Gains/Qualified Dividend Tax

Tax Rate	MFJ	Single	MFS	HOH
0%	\$0–\$96,700	\$0–\$48,350	\$0–\$48,350	\$0–\$64,750
15%	\$96,701–\$600,050	\$48,351–\$533,400	\$48,351–\$300,000	\$64,751–\$566,700
20%	Over \$600,050	Over \$533,400	Over \$300,000	Over \$566,700

Standard Deduction¹, NIIT² Threshold, Capital Loss Limit³

Tax Rate	MFJ	Single	MFS	HOH
Standard Deduction	\$31,500	\$15,750	\$15,750	\$23,625
3.8% NIIT Thresholds	\$250,000	\$200,000	\$125,000	\$200,000
Capital Loss Limit	\$3,000	\$3,000	\$1,500	\$3,000

Self-Employment Tax

Tax Rate	MFJ	Single	MFS	HOH
Social Security 12.4%	Applicable to net earnings up to \$176,100			
Medicare Tax 2.9%	Applicable to all net earnings, with no limit			
Medicare Surtax 0.9%	Over \$250,000	Over \$200,000	Over \$125,000	Over \$200,000

Kiddie Tax

- Kiddie tax exemption: \$2,700
- The parent's marginal income tax rate (not taxable trust tax rate) applies to a child's unearned income over \$2,700.

529 Plans / Annual Gift Tax Exclusion

	Per Individual	Per Couple
Contributions per year before gift tax	\$19,000	\$38,000
Accelerate 5 years of gifting into 1 year	\$95,000	\$190,000

- K-12 distributions: up to \$10,000 annually for qualified expenses
- The named beneficiary on the 529 plan and each sibling can each withdraw up to \$10,000 to repay student loans (lifetime limit).

Student Loan Interest Deduction

- Deduction limit: \$2,500
- Phaseout for income levels
 - » Single: The phaseout range is \$85,000 to \$100,000 modified adjusted gross income (MAGI), with the deduction fully eliminated above \$100,000.
 - » Married Filing Jointly: The phaseout range is \$170,000 to \$200,000 MAGI, with the deduction fully eliminated above \$200,000.

Pass-Through Entity Tax: Qualified Business Income (QBI) Deduction

An eligible individual taxpayer generally may deduct 20% of domestic qualified business income from a partnership, S corporation, or sole proprietorship. There are many qualifications and exemptions. Be sure to consult with a tax advisor.

Alternative Minimum Tax (AMT)

Exemptions: \$137,000 for married, \$88,100 for single and \$68,500 for married filing separately. Phaseout of exemption begins at \$1,252,700 for married taxpayers and \$626,350 for others.

¹ Blind, or age 65 or older: +\$1,600 (Married); +\$2,000 (Single or Head of Household)
New temporary bonus age 65 or older: For tax years 2025–2028, taxpayers 65 or older can claim an additional \$6,000 bonus deduction, regardless of whether they itemize or take the standard deduction. This bonus deduction phases out for higher-income taxpayers.

Combined deduction for age 65 or older: A single taxpayer age 65 or older can claim a total standard deduction of \$23,750 (\$15,750 standard + \$2,000 existing senior deduction + \$6,000 bonus).

² Net investment income tax

³ Maximum capital loss that can be deducted in a tax year, if your capital loss exceeds your capital gains.

NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE •
 NOT BANK GUARANTEED • NOT INSURED BY ANY
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Retirement Plan Limits for 2025

Traditional IRA and Roth IRA Contribution Limits	<ul style="list-style-type: none">Under age 50: \$7,000Age 50 and over: \$8,000
Traditional IRA Deduction Phaseout: MAGI ⁴ Range	<ul style="list-style-type: none">MFJ: \$126,000–\$146,000Single/HOH: \$79,000–\$89,000MFS: \$0–\$10,000
Roth IRA Contribution Phaseout: MAGI Range	<ul style="list-style-type: none">MFJ: \$236,000–\$246,000Single/HOH: \$150,000–\$165,000MFS: \$0–\$10,000
SEP IRA ⁵ Contribution	<ul style="list-style-type: none">Contributions limit: Lesser of 25% of compensation or max \$70,000Participation requires minimum annual compensation of \$750

SIMPLE ⁶ Elective Deferrals and Catch-Up Contribution Limits	<ul style="list-style-type: none">Under age 50: \$16,500Age 50 and over: \$20,000Age 60, 61, 62, or 63: \$21,750
401(k), 403(b), 457, SARSEP Plans ⁷ Elective Deferrals and Catch-Up Contribution Limits	<ul style="list-style-type: none">Under age 50: \$23,500Age 50 and over: \$31,000Age 60, 61, 62, or 63: \$34,750
Defined Contribution Plans	<ul style="list-style-type: none">Max annual contribution: \$70,000
Defined Benefit Plans	<ul style="list-style-type: none">Max annual benefit: \$280,000.
Compensation Limit	<ul style="list-style-type: none">Max compensation limit under Section 401(a)(17): \$350,000
Highly Compensated Employee Definition	<ul style="list-style-type: none">Income threshold: \$160,000

Taxable Trust Income Tax

Taxable Income	Tax Due
\$0–\$3,150	10% of taxable income
\$3,151–\$11,450	\$315 + 24% of the amount over \$3,150
\$11,451–\$15,650	\$2,307 + 35% of the amount over \$11,450
\$15,651 and over	\$3,777 + 37% of the amount over \$15,650 + unearned income will qualify for an additional 3.8% NIIT

Many trusts have to pay tax on the income generated from stocks, bonds, mutual funds, etc. that is not distributed to the beneficiaries. Their tax rates are much more progressive than those paid by individuals.

STATE TAXES

Top State Marginal Individual Income Tax⁹

State	Top Rate	State	Top Rate	State	Top Rate	State	Top Rate
AL	5.00%	IL*	4.95%	MT	5.90%	RI	5.99%
AK	N/A	IN*	3.00%	NE	5.20%	SC	6.20%
AZ*	2.50%	IA*	3.80%	NV	N/A	SD	N/A
AR	3.90%	KS	5.58%	NH	N/A	TN	N/A
CA**	13.30%	KY*	4.00%	NJ	10.75%	TX	N/A
CO*	4.40%	LA*	3.00%	NM	5.90%	UT*	4.55%
CT	6.99%	ME	7.15%	NY	10.90%	VT	8.75%
DE	6.60%	MD	5.75%	NC*	4.25%	VA	5.75%
DC	10.75%	MA**	9.00%	ND	2.50%	WA**	7.00%
FL	N/A	MI*	4.25%	OH	3.50%	WV	4.82%
GA*	5.39%	MN**	9.85%	OK	4.75%	WI	7.65%
HI	11.00%	MS*	4.40%	OR	9.90%	WY	N/A
ID	5.695%	MO	4.70%	PA*	3.07%		

Estate Tax Per Person⁸

<ul style="list-style-type: none">Transfer tax rate (maximum): 40.00%Estate tax exemption: \$13,990,000Gift tax exemption: \$13,990,000Generation-skipping transfer exemption: \$13,990,000
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State and gift tax exemption amounts are based on 2025 IRS limits and are subject to annual inflation adjustments and potential legislative changes.

⁴ Modified Adjusted Gross Income
⁵ Simplified Employee Pension IRA
⁶ Saving Incentive Match Plan for Employees IRA
⁷ Salary Reduction Simplified Employee Pension Plans
⁸ Refers to federal rates only; does not include applicable state rates or exemptions. Rates are per person, unless filing jointly.
⁹ The table shows top marginal rates: the maximum statutory rate in each state. This table does not show effective tax rates, which would include the effects of various tax preferences. Local income taxes are not included.
(*) State has a flat income tax.
(**) Washington’s 7% rate only applies to high earners’ capital gains income. Top rates exclude non-UI payroll taxes in CA (1.1%), MA (0.46%), and WA (0.58%), and a 1% high earners’ capital gains surtax in MN.
Sources: Tax Foundation; state tax statutes, forms, and instructions; Bloomberg Tax.

Talk to your financial professional and/or tax advisor to learn more.
Or visit russellinvestments.com.

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