

## HEALTH SAVINGS ACCOUNTS

Limit	Individual	Family
HSA contribution	\$4,400	\$ 8,750
HSA catch-up contribution	\$1,000	\$ 1,000
Minimum high-deductible health plan (HDHP) deductible	\$1,700	\$ 3,400
Maximum HDHP out-of-pocket costs	\$8,500	\$17,000

## FLEXIBLE SPENDING ACCOUNT CONTRIBUTIONS

Health care FSA	\$3,400
Dependent care FSA	\$7,500

## RETIREMENT BENEFIT LIMITS

Benefit	Limit
Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 24,500
Contributions to defined contribution plans	\$ 72,000
Contributions to SIMPLEs	\$ 17,000
Contributions to IRAs	\$ 7,500
Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 8,000
Catch-up contributions to SIMPLEs	\$ 11,250 <sup>1</sup>
	\$ 4,000
	\$ 5,250 <sup>1</sup>
Catch-up contributions to IRAs	\$ 1,100
Highly compensated employee threshold	\$160,000
Annual benefit for defined benefit plans	\$290,000

<sup>1</sup> For taxpayers age 60, 61, 62 or 63 by the end of 2026.

## LONG-TERM-CARE INSURANCE

Age	Premium deduction limit
40 and under	\$ 500
41 to 50	\$ 930
51 to 60	\$1,860
61 to 70	\$4,960
Over 70	\$6,200

## EARNINGS THRESHOLDS FOR PHASEOUT OF SOCIAL SECURITY BENEFITS

Retirement age status	Earnings limit
Before Full Retirement Age (FRA)	\$24,480 per year
Pre-FRA in year you reach FRA	\$5,430 per month
FRA and after	None

## GIFT AND ESTATE TAX EXEMPTIONS AND RATES

Exemption	Top rate
\$15,000,000	40%

A surviving spouse may be able to use the deceased spouse's unused estate tax exemption. The annual gift tax exclusion is \$19,000 per recipient (\$38,000 if spouses elect "split-gift" treatment).

## CORPORATE INCOME TAX RATES

C corporations and professional services corporations are taxed at a flat 21% rate.

## SECTION 199A DEDUCTION FOR OWNERS OF PASS-THROUGH ENTITIES<sup>1</sup>

20% of qualified business income.

Generally, when an owner's taxable income exceeds \$201,750 (\$403,500 for joint filers), the following limits are phased in over a \$75,000 range (\$150,000 range for joint filers):

- Deduction isn't available for income from specified service businesses.
- Deduction can't exceed the greater of the owner's share of:
  - 50% of the amount of W-2 wages paid to employees by the qualified business during the tax year, or
  - The sum of 25% of W-2 wages plus 2.5% of the cost of qualified property.

New for 2026: Minimum deduction of \$400 for taxpayers who materially participate in an active trade or business if they have at least \$1,000 of QBI from it.

<sup>1</sup> Including sole proprietors.

## SECTION 179 EXPENSING AND BONUS DEPRECIATION

Sec. 179 expensing limit	\$2,560,000
Sec. 179 phaseout threshold	\$4,090,000
Bonus depreciation limit	100%

## DEPRECIATION CLASSES AND METHODS

Class	Method	Examples
36-month	Straight-line	Software
3-year	200% DB <sup>1</sup>	Dies, molds, small tools
5-year	200% DB <sup>1</sup>	Vehicles, computers, office equipment
7-year	200% DB <sup>1</sup>	Manufacturing equipment, office furniture
7-year	150% DB <sup>1</sup>	Farm equipment
27.5-year	Straight-line	Rental residential buildings
39-year	Straight-line	Nonresidential buildings

<sup>1</sup> Declining-balance.

## MACRS DEPRECIATION RATES (with half-year convention)

Year	Asset class		
	3-year	5-year	7-year
1	33.33%	20.00%	14.29%
2	44.45%	32.00%	24.49%
3	14.81%	19.20%	17.49%
4	7.41%	11.52%	12.49%
5	—	11.52%	8.93%
6	—	5.76%	8.92%
7	—	—	8.93%
8	—	—	4.46%

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# 2026 FEDERAL TAX RATES

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## INDIVIDUAL INCOME TAX RATES<sup>1</sup>

### Single

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 12,400	10%	\$ 0
\$ 12,401 – \$ 50,400	\$ 1,240.00 + 12%	\$ 12,400
\$ 50,401 – \$ 105,700	\$ 5,800.00 + 22%	\$ 50,400
\$ 105,701 – \$ 201,775	\$ 17,966.00 + 24%	\$ 105,700
\$ 201,776 – \$ 256,225	\$ 41,024.00 + 32%	\$ 201,775
\$ 256,226 – \$ 640,600	\$ 58,448.00 + 35%	\$ 256,225
Over \$640,600	\$192,979.25 + 37%	\$ 640,600

### Head of household

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 17,700	10%	\$ 0
\$ 17,701 – \$ 67,450	\$ 1,770.00 + 12%	\$ 17,700
\$ 67,451 – \$ 105,700	\$ 7,740.00 + 22%	\$ 67,450
\$ 105,701 – \$ 201,750	\$ 16,155.00 + 24%	\$ 105,700
\$ 201,751 – \$ 256,200	\$ 39,207.00 + 32%	\$ 201,750
\$ 256,201 – \$ 640,600	\$ 56,631.00 + 35%	\$ 256,200
Over \$640,600	\$191,171.00 + 37%	\$ 640,600

### Married filing jointly

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 24,800	10%	\$ 0
\$ 24,801 – \$ 100,800	\$ 2,480.00 + 12%	\$ 24,800
\$ 100,801 – \$ 211,400	\$ 11,600.00 + 22%	\$ 100,800
\$ 211,401 – \$ 403,550	\$ 35,932.00 + 24%	\$ 211,400
\$ 403,551 – \$ 512,450	\$ 82,048.00 + 32%	\$ 403,550
\$ 512,451 – \$ 768,700	\$ 116,896.00 + 35%	\$ 512,450
Over \$768,700	\$206,583.50 + 37%	\$ 768,700

### Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 12,400	10%	\$ 0
\$ 12,401 – \$ 50,400	\$ 1,240.00 + 12%	\$ 12,400
\$ 50,401 – \$ 105,700	\$ 5,800.00 + 22%	\$ 50,400
\$ 105,701 – \$ 201,775	\$ 17,966.00 + 24%	\$ 105,700
\$ 201,776 – \$ 256,225	\$ 41,024.00 + 32%	\$ 201,775
\$ 256,226 – \$ 384,350	\$ 58,448.00 + 35%	\$ 256,225
Over \$384,350	\$103,291.75 + 37%	\$ 384,350

<sup>1</sup> These rates generally apply to earned income, business income, interest and nonqualified dividends. Long-term capital gains rates apply to qualified dividends.

## FICA RATES AND ADDITIONAL MEDICARE TAX

The rate for the employee portion of Social Security tax is 6.2%, and the maximum earned income it applies to is \$184,500, while the Medicare rate is 1.45% and applies to all earned income.

Self-employed individuals pay both the employee and employer portions, but get a deduction for the employer portion.

Cash wages totaling \$3,000 or more to a household employee are also subject to FICA taxes.

An additional 0.9% Medicare tax applies to FICA wages and self-employment income exceeding \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

Employers must withhold the additional Medicare tax beginning in the pay period when wages exceed \$200,000 for the calendar year, without regard to an employee's filing status.

## CAPITAL GAINS TAX RATES

Type of gain	Maximum rate <sup>1</sup>
Short-term gain (assets held 12 months or less)	37%
Long-term gain (generally assets held more than 12 months)	15% or 20% <sup>2</sup>
Long-term gain on collectibles	28%
Long-term gain attributable to certain depreciation recapture	25%
Gain on qualified small business stock held more than 5 years	14% <sup>3</sup>
Most long-term gain that would be taxed at 12% or less based on the taxpayer's ordinary-income rate	0%

<sup>1</sup> An additional 3.8% net investment income tax applies to net investment income to the extent that modified adjusted gross income (MAGI) exceeds \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

<sup>2</sup> The 20% rate applies only to those with taxable income exceeding \$545,500 (singles), \$579,600 (heads of households), \$613,700 (joint filers), \$306,850 (separate filers) or \$16,250 (estates and trusts).

<sup>3</sup> Effective rate based on 50% exclusion from a 28% rate. If stock was acquired after February 17, 2009, and before September 28, 2010, the rate is 7% (75% exclusion from a 28% rate). If stock was acquired on or after September 28, 2010, the rate is 0%. If stock was acquired after July 4, 2025, and it's held for 3 years or 4 years, a partial exclusion will be available.

## ALTERNATIVE MINIMUM TAX

### Single, head of household or married filing jointly

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$244,500	26%	\$ 0
Over \$244,500	\$ 63,570 + 28%	\$244,500

### Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$122,250	26%	\$ 0
Over \$122,250	\$ 31,785 + 28%	\$ 122,250

### Exemptions

<i>Filing status</i>	<i>Exemption amount</i>
Single or head of household	\$ 90,100
Married filing jointly	\$ 140,200
Married filing separately	\$ 70,100

### Exemption phaseouts based on AMT income

<i>Filing status</i>	<i>Income range of phaseout</i>
Single or head of household	\$ 500,000 – \$ 680,200
Married filing jointly	\$ 1,000,000 – \$ 1,280,400
Married filing separately	\$ 500,000 – \$ 640,200

## ESTATE AND TRUST INCOME TAX RATES

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 3,300	10%	\$ 0
\$ 3,301 – \$ 11,700	\$ 330.00 + 24%	\$ 3,300
\$ 11,701 – \$ 16,000	\$ 2,346.00 + 35%	\$ 11,700
Over \$16,000	\$ 3,851.00 + 37%	\$ 16,000

## "KIDDIE" TAX

This tax generally applies to unearned income beyond \$2,700 of a child under age 19, or under 24 if a full-time student. Such income is generally taxed according to the parents' marginal tax bracket.

## STANDARD DEDUCTIONS

<i>Filing status</i>	<i>Deduction</i>
Single and married filing separately	\$ 16,100
Head of household	\$ 24,150
Married filing jointly	\$ 32,200

## ITEMIZED DEDUCTION LIMITS<sup>1</sup>

### Medical expenses

Limited to the amount of eligible medical expenses that, in aggregate, exceeds 7.5% of adjusted gross income (AGI).

### State and local tax

Up to \$40,400 on a combined basis for property tax and either income tax or sales tax (\$20,200 for separate filers).

### Home mortgage interest

Acquisition debt of up to \$750,000. (A \$1 million limit still applies to indebtedness incurred on or before December 15, 2017.)

### Charitable donations

New for 2026: Limited to the amount of eligible gifts to qualified charities that, in aggregate, exceeds 0.5% of AGI.

### Casualty and theft losses

Generally no longer deductible except for losses due to a disaster declared by the President or, new for 2026, the state's governor.

### Overall limit for higher-income taxpayers

New for 2026: Generally, the itemized deduction benefit for taxpayers in the 37% bracket will be as if they were in the 35% bracket.

<sup>1</sup> Additional rules and limits may affect these deductions.

## STANDARD MILEAGE RATES

<i>Use of vehicle</i>	<i>Deduction per mile</i>
Business	72.5 cents
Medical or moving	20.5 cents
Charitable	14.0 cents

## CHILD AND EDUCATION BREAKS<sup>1</sup>

<i>Tax break</i>	<i>Maximum</i>	<i>MAGI<sup>2</sup> phaseout range</i>	
<i>Credit</i>		<i>Single / Head of household<sup>3</sup></i>	<i>Married filing jointly</i>
Child	\$ 2,200 <sup>4</sup>	\$ 200,000 – \$ 240,000	\$ 400,000 – \$ 440,000
Adoption	\$ 17,670 <sup>5</sup>	\$ 265,080 – \$ 305,080	\$ 265,080 – \$ 305,080
American Opportunity	\$ 2,500	\$ 80,000 – \$ 90,000	\$ 160,000 – \$ 180,000
Lifetime Learning	\$ 2,000	\$ 80,000 – \$ 90,000	\$ 160,000 – \$ 180,000
<i>Other</i>			
Student loan interest deduction	\$ 2,500	\$ 85,000 – \$ 100,000	\$ 175,000 – \$ 205,000
ESA contribution	\$ 2,000	\$ 95,000 – \$ 110,000	\$ 190,000 – \$ 220,000

<sup>1</sup> Assumes one child or student. Amounts may vary for more than one child or student. Other rules and limits might reduce the break.

<sup>2</sup> Modified adjusted gross income.

<sup>3</sup> These ranges also apply to married taxpayers filing separately, except that separate filers aren't eligible for adoption, American Opportunity or Lifetime Learning credits, or the student loan interest deduction.

<sup>4</sup> The maximum refundable portion is \$1,700.

<sup>5</sup> The maximum refundable portion is \$5,120.